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Communists Back In South Africa After 40-Year Ban

By Alan Cowell
New York Times Service

SOWETO, South Africa — The South African Communist Party relaunched itself as an open political movement Sunday, 40 years after it was outlawed as the threat to Afrikaner nationalism and white-minority rule.

About 30,000 people gathered for the party's first public rally since it was outlawed in 1950. It was legalized by President Frederik W. de Klerk earlier this year.

"It is the day on which the South African Communist Party is reborn," declared Joe Slovo, the organization's white secretary-general.

After a year of turmoil and decline among the movement elsewhere, the rally was an anomaly — a communist party proclaiming and reveling in its ideological identity.

"In the hearts of six million exploited workers, the red flag is flying," one party organizer said.

The South African Communist Party, declared Jay Naidoo, a prominent anti-apartheid labor unionist, is "the vanguard of the working class," while Eastern Europe's collapsed communist parties had been "Stalinist distortions."

A list of 22 leaders announced to the gathering included at least nine who are officials of the African National Congress, reflecting a long-standing cross-membership between the two organizations.

They include Mr. Slovo and Chris Hani, who is the chief of staff of the ANC's military wing and a member of South Africa's communist hierarchy.

The list showed close organizational and personality links between the ANC; the Communist Party; the Congress of South African Trade Unions, the nation's biggest labor federation, and the United Democratic Front, the most prominent anti-apartheid movement inside the country.

At Sunday's rally, Nelson Mandela, the de facto leader of the ANC, tried to put ideological distance between himself and the party.

"The ANC is not a communist party," he said. "But as a defender of democracy, it has fought and will continue to fight for the right of the Communist Party to exist."

Formed 69 years ago Sunday, South Africa's Communist Party was long viewed as slavishly pro-Moscow and operated in secrecy following its banning in 1950 under the Suppression of Communism Act.

Mr. de Klerk legalized the party, along with other exiled anti-apartheid movements, in February.

Many of the figures who spoke Sunday were viewed until six months ago as enemies of the state.

While communism is in decline in Eastern Europe and the Soviet Union, party officials here are banking on South Africa's peculiar

See MANDELA, Page 4



John Parkin/The Associated Press

Nelson Mandela, left, the ANC leader, and the Communist Party secretary-general, Joe Slovo, attending Sunday's rally in Soweto.

Trinidad Rebels Close to a Deal To Oust Leader

Government Accuses Libya In Muslims' Coup Attempt

Compiled by Our Staff From Dispatches

PORT-OF-SPAIN, Trinidad — Muslim rebels who seized Prime Minister A. N. R. Robinson and other cabinet ministers and wired them to explosives in a coup attempt said Sunday that they had worked out a tentative deal granting them amnesty and a promise of elections.

But the government did not confirm the deal, under which Mr. Robinson reportedly agreed to resign, and said the captive officials were "hostages."

The leader of the rebels, Yasin Abu Bakr, is said to be an admirer of Colonel Moammar Gadhafi, the Libyan leader. Trinidad officials have accused Libya of sponsoring the coup attempt.

At least 22 people have been killed since rebels, members of the militant Jamaat al Muslimeen, stormed into parliament on Friday night, firing AK-47 assault rifles and taking Mr. Robinson and 11 other government leaders captive.

Scores have been wounded, including Mr. Robinson, who was shot in the leg.

Archbishop Anthony Pantin, who negotiated with the rebels, said he was told that the prime minister and the other hostages had been wired with explosives, which would be detonated if an attempt were made to free them.

Gunfire was heard Sunday in Port-of Spain, the capital of Trinidad and Tobago, the twin-island former British colony eight miles (12 kilometers) from Venezuela. Radio and television broadcasts also indicated that shops were being looted.

More than 50 hours after the initial assault on the Red House, Port-of-Spain's parliament building, smoke was still rising from gutted buildings in the city center.

In a radio interview, a rebel spokesman, Bilal Abdullah, said Sunday that the rebels and the government were near agreement.

The tentative agreement, he said, involved the prime minister's resignation, the appointment of Deputy Prime Minister Winston Dookeran as interim prime minister for 90 days and elections after that.

Mr. Dookeran, the minister of planning and mobilization, took over as head of government on Friday after most of his colleagues were taken prisoner.

Political sources said the agreement also called for a presidential pardon of the rebels and immunity from prosecution.

The rebels control the country's only television station while the government is in control of one of the country's two radio stations.

In its broadcasts, the government made no mention of a deal, referred to the captives as hostages and said it was taking all means possible to end lawlessness in the nation.

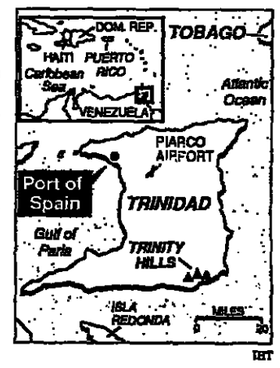
The Caribbean News Agency said the rebels had shot Mr. Robinson in the leg when he refused to sign a a document. By some accounts, it was a letter of resignation.

Mr. Abdullah refused to elaborate on how Mr. Robinson was shot, but said he was not seriously wounded.

On Saturday, the Caribbean News Agency quoted a top police official as saying Mr. Abu Bakr wanted an aircraft and safe passage to Libya. But Mr. Abdullah said on radio: "We are not interested in going to Libya. We are Trinidadians."

Mr. Abdullah acknowledged that some members of the group had received training in Libya, which has been condemned by many Western governments as a sponsor of terrorism.

Mr. Abu Bakr, in his mid-40s,



IHT

heads a 250-member Muslim commune on the outskirts of Port-of-Spain. He is a former policeman and served a stint on the national soccer team.

He had previously been arrested for leading marches against rising food prices and his group's armed occupation of their land.

"This is not democracy," Mr. Abu Bakr said in a television broadcast as he denounced the government as corrupt. "In 90 days we will have elections — free and fair and free from fear — and let the people once more choose whoever they want to represent them. All we're saying is: Give us this chance."

He said the government's economic policies and austerity measures had caused "widespread suffering," and he promised to put seized ministers on trial.

U.S. government officials in

See COUP, Page 2

OPEC Pact to Lift Dollar Against Yen

Analysts Say U.S. Currency's Advance Could Force Japan Interest Rates Up

By Patrick L. Smith
International Herald Tribune

TOKYO — OPEC's new pricing agreement is likely to produce a short-term surge in the dollar that will force the Bank of Japan into another concerted defense of the yen within two months, foreign-exchange analysts and economists said Sunday.

OPEC's decision to push oil prices to $21 a barrel is expected to strengthen the U.S. currency against the yen, bringing it back toward the 160 level reached earlier this year. In turn, this is likely to prompt the Bank of Japan to raise its benchmark interest rate for the fifth time in less than 18 months.

Such a move would bring real market rates in Tokyo even with or higher than those in the United States. That would eliminate the differentials that have ruled trading over the past several years. With those differentials gone, analysts said, funds will flood once again into yen-denominated assets, containing the risk for yen investors.

The key to the change is that the decision by the Organization of Petroleum Exporting Countries to make oil more expensive raises the specter of added price pressures. That in turn, analysts said, reduces the Federal Reserve Board's room to lower interest rates and, in Tokyo, adds to inflationary dangers that have been long apparent.

"Things have changed dramatically in the markets in a matter of days, and oil is definitely the new problem," said Russell Jones, chief economist in Tokyo for UBS/Phillips & Drew International Ltd. "The dollar will move up, but I can't see it being sustained. The Bank of Japan can't allow it."

Economists say they do not expect the Deutsche mark and other European currencies to be so heavily influenced by these developments as the yen. But the state of the yen-dollar market, they say, is similar to the dollar-DM market last September, when the dollar climbed quickly to 1.90 DM, hovered briefly and then collapsed.

The unexpectedly poor figure last week for second-quarter U.S. economic growth reinforced the dollar's downtrend against major European currencies. The dollar dropped on this news to 1.61 DM in New York, a two-and-a-half-year low, and to 149 yen, a loss of 1.38 yen.

But OPEC's move is expected to reverse this trend against the yen by tying the hands of Alan Greenspan, the Fed chairman, on the interest-rate question.

Recently reported statistics indicated that U.S. dependence on imported oil has risen from roughly a third of total consumption in the early 1980s to nearly 50 percent.

Under these circumstances, the impact on prices of any decision to lower U.S. interest rates would be multiplied, further undermining the Fed's attempt to combat inflation while sustaining growth. The nature of the threat would shift partly toward imported inflation, but the result would be the same.

In effect, dollar weakness in the

See YEN, Page 9

Baker Fails to Convince ASEAN Leaders

By Al Kamen
and Keith B. Richburg
Washington Post Service

JAKARTA — Secretary of State James A. Baker 3d, ending three days of talks here Sunday with the Association of South East Asian Nations, failed to secure agreement on the two issues dividing them — the U.S. policy shift on Cambodia and what to do with the more than 100,000 Vietnamese refugees stranded in camps in the region.

At best, Mr. Baker appeared to have bought some time — but not much — from ASEAN countries, which are threatening to turn away Vietnamese asylum seekers from their shores if the United States does not agree soon to the forced return to Vietnam of those who are ruled economic migrants rather than political refugees.

Malaysia has already started pushing off refugee boats, and others are threatening to follow suit.

Mr. Baker succeeded in smoothing some feathers ruffled by Washington's abrupt decision two weeks ago to withdraw recognition for a three-party coalition fighting the Vietnamese-installed government in Cambodia and to begin direct negotiations with Vietnam on Cambodia.

Mr. Baker also said the administration is considering opening a direct dialogue with Hun Sen, prime minister of the Vietnamese-installed government, who in the past has been called a puppet of Hanoi.

But ASEAN officials said they continued to disagree with that U.S. policy shift and would continue to support the resistance coalition if a vote is held when the United Nations General Assembly convenes in September.

Foreign Minister Ali Alatas of Indonesia said ASEAN would try to head off a confrontation by trying to convince the resistance coalition, nominally headed by Prince Norodom Sihanouk, and the Phnom Penh regime to agree to an interim "supreme national council" to oversee the country until elections could be held under UN auspices.

That council, which would include individuals representing all four factions including the Khmer Rouge, could hold Cambodia's UN seat until the elections.

Mr. Baker said the United States would vote to seat the supreme national council at the United Nations, but he was at pains to explain why the council, with Khmer Rouge representatives, would be more acceptable than the current

See TALKS, Page 4



Reuters

GIRL KILLED IN TEL AVIV — Three friends on the Israeli beach where a pipe bomb killed a Canadian girl. The Toronto girl, 17, had been on a tour. Eight Palestinians were arrested. Page 5.

Soviet Economy Falls Further

Compiled by Our Staff From Dispatches

MOSCOW — The Soviet economic crisis is continuing to get worse amid the faltering efforts of President Mikhail S. Gorbachev to correct widespread deficiencies, according to official reports.

"There has been no economic recovery," the Tass press agency said Sunday. "The crisis in the development of the national economy has intensified."

Figures for the first half of 1990, made public by the state statistical agency Goskomstat, looked grim. Inflation, money supply, the trade deficit, debt and unemployment all were up. Most production indices were down.

Figures comparing the first half of 1990 with the same period of 1989 showed these results:

- Gross national product down 1 percent.
- Labor productivity down 1.5 percent
- New housing construction down 6 percent
- Money supply up 9 percent.
- Nonfood inflation up 5 percent.

In the same period, unemployment reached 8 million, strikes cost 10 million worker-days, and pro-

See SOVIET, Page 4

Sofia's Secrets Stay That Way

By Blaine Harden
Washington Post Service

SOFIA — In the headquarters of the Interior Ministry, there are 100 red-leather volumes that explain in 60,000 pages how the Bulgarian government had absolutely nothing to do with the 1981 plot to assassinate Pope John Paul II.

The keeper of the books is Jordon Ormankov, chief spokesman for the ministry that oversees the secret police and former chief of the Bulgarian investigation into the assassination attempt. For nearly a decade, Mr. Ormankov has been denying — incredulously, angrily and at great length — an Italian prosecutor's charge that Bulgarian agents paid a Turkish gunman to shoot John Paul.

Since Bulgaria's democratic revolution, however, Mr. Ormankov and his ministry have put on a far friendlier face. The spokesman explains how bugging has been banned, and how government harassment of political enemies is no longer permitted. He even offers to let visitors peruse his red-leather books on the inquiry.

Yet *perestroika* Sofia-style precludes a post-revolution investigation of the so-called Bulgarian connection in the assassination attempt.

"There has never been a re-ex-

See BULGARIA, Page 4

Kiosk

Afghan Leader In Soviet Visit

ISLAMABAD, Pakistan (AFP) — President Najibullah of Afghanistan left on Sunday for the Soviet Union, where his is to undergo a medical examination, Radio Kabul reported.

The trip, which was not previously announced, comes three days before the U.S. secretary of state, James A. Baker 3d, is to meet the Soviet foreign minister, Eduard A. Shevardnadze, at Irkutsk, in Siberia, for talks on the Afghan conflict and other issues.

Radio Kabul said Major General Najibullah, 43, was making the trip "on the invitation of the Soviet government."

General News

A senior official repeated Iran's call for all hostages in Lebanon to be freed. Page 3.

The Defense Department has stopped round-the-clock war-alert flights. Page 3.

Bruno Kreisky, the former Austrian chancellor, died of heart failure at 79. Page 5.

MONDAY Q&A



Reuters

Richard W. Murphy, a former U.S. assistant secretary of state, sees the need for a constant dialogue with the Iraqis. Page 2.

Business/Finance

The personal banker of Manuel Noriega was convicted in a scheme to launder $32 million in cocaine profits. Page 7.

Japan's economy is due to grow steadily for at least another year. Page 7.

Crossword Page 3.

Deep in Greenland's Ancient Ice, Clues to Global Warming?

By William Booth
Washington Post Service

THE SUMMIT, Greenland — High above the Arctic Circle, in a flat white world of snow and ice, scientists are drilling a hole through time.

In the most ambitious ice drilling project ever attempted, two teams of European and American researchers are boring down through more than two miles (3.2 kilometers) of ice — the compressed snow of ancient winters — searching for trapped air bubbles and entombed crystals that will reveal what the weather was like during the past 200,000 years.

The scientists hope that by understanding the past, and learning what pushes the swinging pendulum of climate, they can predict the future, which many fear will bring a rapid and unprecedented warming caused by pollution.

Here on the summit of Greenland — the highest point on the vast mound of ice that almost completely covers the world's largest island — they seek an answer to the most pressing question in climatology: Will rising levels of carbon dioxide and methane heat the Earth and melt the polar ice caps? And if so, how fast?

Already there is evidence from ice cores drilled by Soviet researchers in Antarctica that rising levels of carbon dioxide at the end of the last ice age preceded an increase in temperature, a discovery that could bolster the most popular scenarios of global warming.

But the record is still hazy and the measurements are imprecise enough that it is possible the warming did not come until thousands of years after the carbon dioxide level rose. As such, the relationship between carbon dioxide and climate remains shrouded in mystery.

"There's great urgency in the work," said Paul Mayewski of the University of New Hampshire. "The ice has trapped the past and held it for us to rediscover."

Mr. Mayewski is the scientific coordinator for the Greenland Ice Sheet Project, a $15 million venture involving more than 30 American investigators, assisted by the University of Alaska and funded by the National Science Foundation.

Collaborating with the Americans is a group of Europeans who are drilling a companion core 20 miles from the American site. Together their work should provide some of the most detailed records ever gathered linking past climate to rising and falling levels of carbon dioxide.

The Americans and Europeans have come to a world that is as difficult as it is beautiful. It is a place where the summer sun wheels around the sky, never setting, and flakes of snow called ice diamonds glitter in the air like a hallucination. It is so cold that even in the laboratory, built in a trench in the snow, the computers must be swaddled in heating pads.

And because the summit is 10,200 feet (3100 meters) above sea level, the air is so thin that newly arrived researchers stumble around for a few days like zombies, chewing aspirin and sucking on oxygen bottles to

See ICE, Page 2

Maintain a Dialogue with Iraq, U.S. Expert Recommends

Richard W. Murphy, former assistant secretary of state for Near Eastern affairs and now a senior fellow with the Council on Foreign Relations in New York, believes it is essential to keep talking with President Saddam Hussein of Iraq, despite the Iraqi threat of military action against Kuwait to enforce a curb on oil production. As Iraq succeeded in prodding the Organization of Petroleum Exporting Countries to increase oil prices, Mr. Murphy discussed the Middle East with Barry James of the International Herald Tribune.

Q. George Bush said in his inaugural address that the day of the dictator is over. Isn't Saddam Hussein proving him wrong?

A. President Saddam is talking to the world as if he was talking to his subjects in Iraq. He is very much in control in Iraq, but there is a limit to how effective that same approach is in dealing with other countries.

Q. Yet under threat of the gun, President Saddam has succeeded in getting OPEC to do largely as he wanted. Is there a danger he will take this as proof that violence pays?

A. It is true he called for an increase in the reference price of oil and that this has been agreed to by the oil ministers meeting in Geneva. But this does not mean it is a single-handed success for Iraq. There has been widespread criticism of Kuwait and the United Arab Emirates for overproducing. So, in acting as the enforcer, Saddam was giving great pleasure to a number of the oil-producing countries, whether in OPEC or not. What was disturbing to some in the region was that he felt the only way to go was through a demonstration of military intimidation.

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Q. Do you think that Saddam sees confrontation with Kuwait as an appetizer for greater things? Might he, for example, use the same kind of tactics against Saudi Arabia?

A. I suppose it cannot be ruled out as a way Iraq might behave, but I think that the immediate future will show that whatever an individual member of the OPEC cartel may want, prices are still governed by the market. There still is a law, however imperfect, of supply and demand that cannot be amended or revoked by an OPEC decision, much less by an Iraqi decision.

Q. Accusing Kuwait and the UAE of aggression against Iraq while sending

MONDAY Q&A

30,000 troops to the Kuwaiti border seems to many to be a bit reminiscent of the way Hitler dealt with neighboring states. World War II taught us lessons about appeasement. So what can the West do about Saddam Hussein?

A. There have been commentaries by certain American writers that this was the clearest example of Hitlerian tactics since Hitler's time. But I would resist that because it is far too glib. Saddam is a rough, direct-talking leader who has not hesitated to use force. He does want to establish Iraq as a major Arab leader and perhaps his ambition is to be recognized as *the* Arab leader. What can be done about him? I think it needs a constant dialogue with the Iraqis. This is a complicated world where there needs to be a harmony in the oil sphere between producer and consumer countries. The use of force is a weapon that could backfire on Saddam.

Q. President Saddam may have got most of what he wants for the moment, but he does not seem to have much sympathy or solidarity in the Arab world.

A. I do not think he does as a result of the threatened use of force against Kuwait. But he acted out of frustration. Others, including Saudi Arabia, had urged Kuwait to observe the quotas that were very painfully negotiated by OPEC. Saddam apparently felt that this was not going to work. But the threat of force is something which I think makes all countries in the region very uncomfortable and that is why we saw President Mubarak move so quickly to mediate and try to defuse the conflict and get people talking.

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Q. Congress is calling for sanctions against Iraq. Can this do any good?

A. The administration has opposed sanctions, and I believe correctly, because they are only effective if there is a solid international agreement to apply them. This is not the case, and I do not foresee it being the case when talking about trade, for instance, in grains and foodstuffs. There are other producers out there in Australia, Canada and Europe who will move in quickly. So the only action that the Senate and the House can take is something affecting our trade.

Q. Does President Saddam's action change the perceived threat to Israel?

A. I think it has probably deepened the apprehension in Israel about Iraq's long-term intentions. But Iraq's formal position, to the best of my knowledge, is that it is interested in a political solution to the Arab-Israeli conflict. The use of chemical warfare, however, the threat that if it is attacked it would respond by using chemical weapons against Israel, and now the movement of troops to the Kuwaiti border have probably made Israel think that this is a country that is going to be extremely difficult to involve in a peace process in the years ahead.

New Court Lineup Would Have Impact Far Beyond Abortion

By Ruth Marcus
Washington Post Service

WASHINGTON — Five years ago, when liberal members of the Supreme Court managed to scrape together a five-justice majority to overrule a 1976 case limiting the federal government's power over states, Chief Justice William H. Rehnquist issued a dissent — and a prediction.

Some day, said Chief Justice Rehnquist, who wrote the decision that was overruled, his view of federalism would "again command the support of a majority of this court."

With the retirement of Justice William J. Brennan Jr., that day may have arrived.

The dispute over a question of the scope of congressional authority underscores the broad potential impact of Justice Brennan's departure and the tenuous hold of some key liberal victories.

Most public debate since the court seat became vacant has focused on the future of abortion rights. It is clear that the 1973 decision in Roe v. Wade, in which the court said there was a constitutional right to abortion, now has just three firm supporters: Justices Harry A. Blackmun, Thurgood Marshall and John Paul Stevens.

But the resignation of the court's foremost liberal has far larger implications for the future of constitutional law and the role of the court in some of the most divisive social issues of the day.

Justice Brennan's absence, combined with the confirmation of the man nominated to replace him, Judge David H. Souter of the 1st U.S. Circuit Court of Appeals, would strengthen the court's fragile conservative majority.

It could tilt the balance of power in conservatives' favor in cases involving civil rights, separation of church and state, the role of the federal courts and the power of states.

Although conservatives already have the upper hand in such areas as capital punishment and the rights of defendants, the addition of another conservative voice could mark an end to the already rare instances in which liberals are able to put together a majority in such cases, and a further erosion of already weakened precedents in criminal law.

"All the chips are in the middle of the table," said *Charles J. Cooper, an assistant attorney general in the* Reagan administration and architect of much of its legal philosophy. "We may well be on the precipice in which the court will stabilize and become predictably conservative."

Norman Dorsen, president of the American Civil Liberties Union, said: "There are a large number of cases in many important areas where a switch of one vote could have severe consequences. The doctrines are at risk."

The shift would be the culmination of a process that began with the appointment of Chief Justice Warren E. Burger in 1969, the first of eight consecutive Republican court appointments. Judge Souter would be the ninth.

A new court would not manifest itself dramatically overnight. It takes time for some issues to percolate through the lower courts to the Supreme Court. The court's respect for precedent would act as a brake on wholesale change.

And the justices would not be likely to disturb some landmark liberal rulings, now entrenched in the law and society — *such cases as the Miranda decision or* the decision excluding prayer from public schools.

But whether Judge Souter, if confirmed, turns out to be an aggressive advocate for change in the manner of Justice Antonin Scalia, or a swing voter in the mode of Justice Sandra Day O'Connor, the likelihood appears high of an eventual transformation in some of the most controversial areas within the court's purview.

ICE: *In Greenland, a Dig for Clues to Global Warming*

(Continued from page 1)

kill the pounding headaches and nausea caused by the sudden ascent to high altitude.

The plan is to drill to the bedrock of Greenland. Begun last summer, the work proceeds this year.

The cutting is done by a hollow tube with a saw-toothed end. It spins, grinding a circle around the ice that becomes the core as it is surrounded by the descending drill. The researchers and technicians then pull 6- and 12-foot lengths of ice core to the surface.

Upon delivery from the hole at the drill site, the cores are rushed to a frozen laboratory dug into the snow, a long trench 12 feet deep and several feet wide, where the samples are processed.

Researchers bundled in parkas and snow pants bombard the ice with laser beams and electric jolts. They sift and sniff the ice for volcanic acids and dust, for carbon dioxide, methane and other gases, and for heavy hydrogen and heavy oxygen, whose abundances tell the temperature when the snow fell.

Last week, the main American drill reached 412 feet and brought to the surface ice that researchers estimate was deposited in 1569, about half a century before the Pilgrims landed in the New World and right in the middle of a period of worldwide coolness known as the Little Ice Age.

Such precise dating to the exact year is possible for at least the first 5,000 years. The scientists date the core by looking for evidence of known events, such as volcanic eruptions, which they compare with known rates of ice accumulation and the flow of the ice itself.

By summer's end, the researchers hope to reach past ice laid down when Jesus was born, to the time of the pyramids, 4,000 to 5,000 years ago. At the close of the project three years from now, the ice samples could be as much as 200,000 years old.

For scientists who know how to read the clues, ice can reveal evidence that helps them date the core with considerable precision.

Researchers, for example, can see in the dust trapped in the ice evidence of annual summer winds that have swept the Gobi Desert in Central Asia for thousands of years. They can watch the sulfur levels begin to rise at the dawn of the industrial age.

Layers of radioactive fallout pinpoint the fire at Chernobyl and atomic bomb tests in 1946. By watching for traces of methanesulfonic acid, a substance one smells at low tide, the scientists can also time the biological productivity of marine plants in the North Atlantic, which themselves might play an important role in altering climate, according to Eric Saltzman of the University of Miami, who is examining the Greenland ice.

The scientists are interested in dates because they want to time the Earth's cooling and warming cycles.

For a glaciologist like Richard Alley of Pennsylvania State University, the Greenland ice can be read like rings in a tree. By backlighting a segment of core, Mr. Alley can see light and dark layers left by the summer melts and the winter storms. He believes that he can date ice accurately by counting the seasons back to about 750 years ago. After that, dating by eye becomes almost impossible.

One reason for the difficulty is that deep down, where the pressure becomes greater, ice begins to compress and flow. "It stretches and thins like taffy," Mr. Alley said. "It shears and twists and flows. The visual data gets really flaky and shaky the further back you go."

Researchers know the planet moves through a cycle of ice ages and warmer periods based on the timing of the slow wobble in Earth's axis. But they also know that increases and decreases in carbon dioxide and other greenhouse gases accompany climate change.

Are these gases causing the temperature to rise or are they simply a by-product? Will the current burning of fossil fuels and forests put enough extra carbon dioxide into the atmosphere to significantly alter climate?

"That's the million dollar question," Mr. Alley said.

N.Y. Gang War Erupts In Gunfire at Funeral

The Associated Press

LINDEN, New Jersey — Gunmen posing as mourners at the funeral of a Vietnamese gang member dropped flowers they were carrying and opened fire on about 100 mourners, wounding seven.

Authorities said Sunday that they feared the shooting Saturday could expand a struggle for power between Vietnamese and Chinese gangs in Manhattan.



Reuters

Mr. Buckey awaiting the verdict in his child-molesting case, the longest criminal trial in U.S. history.

After 7 Years, Case Is Closed

Prosecutor to Drop Charges in Child-Molesting Trial

By Seth Mydans
New York Times Service

LOS ANGELES — The McMartin Pre-School child-molesting case, which began seven years ago with sensational charges involving sodomy with hundreds of children and suggestions of satanism and animal sacrifice, has sputtered to an inconclusive end that satisfied neither side.

When the jury in Raymond Buckey's retrial on charges of molesting three girls at the school said it was "hopelessly and irreversibly" deadlocked and the judge declared a mistrial on Friday, it was clear that the complicated case that included the longest and costliest criminal trial in U.S. history was at an end.

"These kids have lives to live," said the prosecutor, Joseph Martinez. "They can't be McMartin kids for the rest of their lives. There's no sense in trying this case again, because the evidence is not going to change. As far as we're concerned, the McMartin case is over."

Before the prosecutor said he would drop the charge, Judge Stanley M. Weisberg said he would hold a hearing Wednesday on motions to dismiss the counts.

As the jurors were polled Friday, Mr. Buckey sat quietly, his hand on his chin. Outside the courtroom, he said: "I know I was innocent. I've proclaimed my innocence since day one. I'm pleased that it wasn't guilty. Of course I would have wanted a full acquittal."

Mr. Buckey, 32, spent nearly five years in jail without being convicted before being released on $1.5 million bond in February 1989.

His first trial, which lasted two and a half years and cost $13 million, ended Jan. 18 when the jury acquitted him of 40 charges but failed to reach a verdict on 13 others.

His second trial, on 8 of the 13 counts, lasted three months.

The jurors reported having doubts similar to those that jurors had had in the first trial.

Many of these doubts concerned the memories of the children, which the jurors said might have been tainted by leading questions from the police, parents and social workers who interviewed them.

Mr. Buckey was being retried on child-molestation counts that allegedly took place at his family's preschool in Manhattan Beach, the Virginia McMartin Pre-School.

The first trial began with hundreds of charges and seven defendants, five of whom were dropped from the case at an early stage.

As the trial grew longer, it involved 124 witnesses, 800 exhibits and 60,000 pages of court records.

Mr. Buckey took the stand in both the trial and the retrial and denied all the charges against him.

In the retrial, he was accused of molesting three girls, now age 11 to 13, two of whom also testified in the first trial.

The retrial involved only 11 witnesses, including the three children.

Mr. Martinez's prosecution team conceded that the jury should not convict on the basis of the children's testimony alone.

But it argued that there must be a core of truth in their memories, and that these memories, taken in the context of circumstantial evidence and the testimony of parents and a pediatrician who examined the children several weeks after the allegations were made, offered grounds for conviction.

Father Urged Son To Admit to Rape

New York Times Service

NEW YORK — The father of a defendant has testified that he told his son to lie — to admit raping and beating a jogger in Central Park — so the police would let him go home.

Bobby McCray, the father of defendant Antron McCray, 16, said the police told his son "to tell them what they wanted to know, to cooperate and maybe become a witness, then he could go home."

Mr. McCray was the first defense witness in the trial of three youths on rape and attempted murder charges in connection with the 1989 assault on the jogger.

COUP: *Trinidad Rebels Near Deal*

(Continued from page 1)

Kennebunkport, Maine, where President George Bush was spending the weekend, said that they were monitoring the situation and that they were concerned about reported links between the leaders of the revolt and Colonel Gadhafi.

American officials said the group involved in the rebellion is a small organization of radical armed extremists. Members of the group have been involved in violent bank robberies, and there have been reports that they have smuggled arms into the country.

They are also said to have been identified with assassination plots and threats, including at least one against U.S. Embassy officials.

Initially, Trinidad's government asked for U.S. hostage experts to go to the island. But island officials later rescinded that request.

Trinidad and Tobago was granted independence from Britain 28 years ago. Its economy was in good shape in the 1970s as a result of oil reserves, but the declining price of oil in the 1980s sparked unemployment and led to dwindling earnings from exports.

(Reuters, AFP, NYT, AP)

WORLD BRIEFS

Liberian Rebels Attack Radio Station

MONROVIA (AFP) — There was fighting around a radio station on the outskirts of Monrovia on Sunday as rebels struggled to dislodge government troops loyal to President Samuel Doe.

The rebels attacking the radio station, about seven kilometers (four miles) from the city center, clashed with government soldiers apparently fighting their way out of Scheiffelin army camp.

The rebels had isolated Scheiffelin, 30 kilometers down the coast, as they pushed toward the capital, leaving an estimated 100 to 150 government troops cut off.

Iraqis and Kuwaitis to Meet Tuesday

NICOSIA (Reuters) — Iraqi and Kuwaiti officials will meet in Saudi Arabia on Tuesday for talks aimed at resolving their disputes over oil prices and territory.

Saudi Arabia announced on Sunday night that the talks between the Kuwaiti prime minister, Sheikh Saad al Abdullah as Salim as Sabah, and Izzat Ibrahim, the deputy chairman of the Iraqi ruling Revolutionary Command Council, would take place at Jeddah.

Baghdad said earlier that the talks might not be held this week and added that Kuwait could be to blame. King Hussein of Jordan flew to Kuwait and Baghdad on Sunday in a bid to save the talks after a similar trip on Saturday by the Saudi foreign minister, Prince Saud al Faisal. Iraq said Friday that the talks in Jeddah would be procedural and substantive negotiations should take place in Baghdad later.

Jiang Orders a Crackdown in Tibet

BEIJING (Reuters) — The Chinese party leader, Jiang Zemin, paying the party's highest-level visit to Tibet in a decade, has ordered a crackdown on the pro-independence movement in the Himalayan region.

"Stabilizing the situation" should continue to be the top priority in Tibet, Mr. Jiang was quoted as saying by the official Xinhua News Agency on Sunday in a speech to local leaders. Mr. Jiang stressed the need to crack down on separatists "at home and abroad creating disturbances and violating social order."

Tibet has been the most troubled of China's regions since the 1949 revolution. In the last three years, troops and policemen have crushed sporadic pro-independence and anti-Chinese demonstrations in the capital, Lhasa, killing scores of people. Martial law was lifted in the city in April after being in force for 13 months. Hundreds of Tibetans are thought still to be in prison.

Vote in Hungary Is Declared Invalid

BUDAPEST (AFP) — Hungarian electoral officials declared invalid on Sunday night a referendum held during the day on the procedure for electing the president because of an insufficient turnout.

The chairman of the national electoral commission, Janos Nemeth, said that judging on the basis of 80 percent of the ballots counted, the turnout was no higher than 13.8 percent of registered voters. To be valid, 50 percent of the 7.8 million voters had to take part in the referendum.

The referendum proposed direct popular election of the president, who is now elected by the parliament.

Vandals Raid German Jewish Graves

STUTTGART (AP) — Police on Sunday were hunting suspected right-wing radicals who rampaged through a Jewish cemetery here, badly damaging gravestones and spray-painting them with Nazi symbols. No arrests have yet been made. Police said right-wing extremists were believed responsible for damage that was estimated at more than 200,000 marks ($125,000).

More than 60 gravestones were desecrated at the Stuttgart Jewish cemetery on Saturday, police said. Nazi symbols, and slogans like "Jews Out" and "The Gassing Never Happened" were spray-painted on some stones, they added. More than 6 million Jews were killed in the Nazi-ordered holocaust, many of them in concentration camp gas chambers.

Mongolians Complete Free Elections

ULAN BATOR, Mongolia (Reuters) — Voting was completed on Sunday in the first-ever free elections in Mongolia.

The Communist Party appeared set to retain its 69-year grip on power with a victory in the upper house of parliament, but a recent opinion poll showed that a coalition of three opposition parties might win a majority in the lower house, which is expected to be the more powerful of the two chambers.

A total 1.4 million of Mongolia's population of two million were eligible to vote Sunday. They were to chose from among 799 candidates for the 430-seat upper house and also to state their party preference, on the basis of which the lower house's 53 seats will be allotted.

For the Record

Prime Minister Giulio Andreotti won a vote of confidence in the Italian parliament, 356 to 177, on Saturday for his reshuffled cabinet, overcoming a crisis provoked by the resignation of five ministers from his own Christian Democratic Party. *(Reuters)*

President Chadli Bendjedid of Algeria announced Sunday that early parliamentary elections would be held in the first quarter of 1991. The parliament, elected for five years in February 1987, is controlled by the National Liberation Front, which won only only 28 percent of the vote in local elections on June 12. *(Reuters)*

TRAVEL UPDATE

Access to Moscow's international airport has been restricted because of recent overcrowding. Only ticketed passengers are being allowed into the terminal at Sheremetyevo. *(AFP)*

Fifteen people died in road accidents in Greece and 170 were injured as many families started their vacations over the weekend at the end of university exams, the police said on Sunday. The government announced new traffic regulations and stiffer penalties last week in an effort to reduce the number of traffic accidents. *(Reuters)*

Tourists in Spain totaled just over 20 million in the first half of 1990, government sources said. Spanish tourism reached 54 million in 1988, but fell slightly last year. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

TUESDAY: Congo, Israel.

WEDNESDAY: Bahrain, Kuwait, Nicaragua, Rwanda, Switzerland, United Arab Emirates, Zaire, Zambia.

THURSDAY: Costa Rica, Pakistan.

FRIDAY: El Salvador, Equatorial Guinea, Guinea Bissau, Niger, Pakistan, Tunisia.

SATURDAY: Burkina Faso, El Salvador.

SUNDAY: El Salvador.

Source: J.P. Morgan, Reuters.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	22	71	15	59	fr
Athens	31	88	22	72	fr
Barcelona	31	88	22	72	fr
Belgrade	32	90	17	63	fr
Berlin	31	88	17	63	fr
Brussels	31	88	16	61	fr
Budapest	32	90	17	63	fr
Copenhagen	22	72	14	57	fr
Costa Del Sol	31	88	23	73	fr
Dublin	22	72	10	50	fr
Edinburgh	22	72	10	50	fr
Faro	28	82	19	66	fr
Florence	31	88	18	64	fr
Frankfurt	32	90	18	64	fr
Geneva	31	88	15	59	fr
Helsinki	22	72	7	45	fr
Las Palmas	27	81	21	70	fr
Lisbon	31	88	17	63	fr
London	27	81	13	55	fr
Luxembourg	31	88	16	61	fr
Madrid	32	90	19	66	fr
Milan	32	90	18	64	fr
Moscow	30	86	16	61	fr
Munich	30	86	13	55	fr
Nice	30	86	22	72	fr
Oslo	24	75	14	57	fr
Paris	31	88	16	61	fr
Prague	31	88	17	63	fr
Reykjavik	14	57	8	46	fr
Rome	33	91	20	68	fr
Stockholm	23	73	15	59	fr
Strasbourg	31	88	17	63	fr
Venice	31	88	19	66	fr
Vienna	31	88	17	63	fr
Warsaw	31	88	17	63	fr
Zurich	30	86	19	66	fr
MIDDLE EAST					
Ankara	33	91	19	66	fr
Cairo	36	97	23	73	fr
Istanbul	29	84	19	66	fr
Jerusalem	29	84	16	61	fr
Tel Aviv	33	91	23	73	fr
OCEANIA					
Auckland	—	—	—	—	no
Sydney	16	61	6	43	fr

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	27	81	sh
Beijing	31	88	22	72	fr
Hong Kong	29	84	26	79	sh
Manila	28	79	23	73	r
New Delhi	36	97	26	79	fr
Seoul	32	90	23	73	fr
Shanghai	33	91	27	81	fr
Singapore	31	88	26	79	sh
Taipei	35	95	30	86	fr
Tokyo	29	84	23	73	fr
AFRICA					
Algiers	37	99	22	72	cl
Cape Town	16	61	12	54	sh
Casablanca	26	79	20	68	cl
Harare	21	70	9	48	cl
Lagos	28	82	23	73	cl
Nairobi	23	73	10	50	fr
Tunis	36	97	21	70	fr
LATIN AMERICA					
Buenos Aires	—	—	5	41	fr
Lima	—	—	14	57	c
Mexico City	26	79	14	57	sh
Rio de Janeiro	—	—	16	61	o
NORTH AMERICA					
Anchorage	16	61	14	57	cl
Atlanta	32	90	21	70	pc
Boston	25	77	19	66	pc
Chicago	31	88	19	66	sh
Denver	33	91	19	66	sh
Detroit	28	82	14	57	sh
Honolulu	31	88	26	79	sh
Houston	34	93	23	73	sh
Los Angeles	31	88	20	68	sh
Miami	31	88	24	75	sh
Minneapolis	31	88	18	64	sh
Montreal	28	82	17	63	sh
Nassau	31	88	25	77	sh
New York	28	82	15	59	sh
Phoenix	42	108	27	81	sh
San Francisco	19	66	12	54	fr
Seattle	22	72	14	57	pc
Toronto	27	81	18	64	sh
Washington	31	88	24	75	pc

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-storms.

MONDAY'S FORECAST — CHANNEL: Not Available. **FRANKFURT:** Not Available. **LONDON:** Not Available. **MADRID:** Not Available. **NEW YORK:** Partly cloudy. Temps. 28 — 22 (82 — 72). **PARIS:** Not Available. **ROME:** Not Available. **TEL AVIV:** Partly cloudy. Temps. **ZURICH:** Not Available. **BANGKOK:** Scattered showers. Temps. 34 — 26 (93 — 79). **HONG KONG:** Not Available. **MANILA:** Monsoon rains. Temps. 32 — 22 (90 — 72). **NEW DELHI:** Temps. 32 — 24 (90 — 75). **SINGAPORE:** Fair. Temps. 31 — 26 (88 — 79). **TOKYO:** Cloudy. Temps. 29 — 24 (84 — 75).

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Pentagon Stops Round-the-Clock War-Alert Flights

By Eric Schmitt
New York Times Service

WASHINGTON — In a sign of budget constraints and a Cold War thaw, the Defense Department has stopped the round-the-clock flights of an airborne command post that for three decades had been a symbol of U.S. readiness to wage nuclear war.

The decision means the demise of the last remaining component of the U.S. Air Force's round-the-clock airborne defense. The other major component, continuous flights by B-52s loaded with nuclear bombs, was ended in 1968, largely because of its high cost and an increased reliance on nuclear-armed submarines and intercontinental ballistic missiles.

Under the new policy, which took effect last week, the command planes will remain on ground alert and fly "random air sorties each week," the air force said.

"We haven't diminished our vigilance at all," a Bush administration official said, adding that the continuous flights could be resumed at any time.

The new policy is a reversal by President George Bush, who rejected a recommendation by Defense Secretary Dick Cheney in December to halt the flights.

White House officials expressed concern at that time that ending the round-the-clock flights would send a public signal that the United States was moving too fast to cut its military capabilities.

Seven months later, however, a diminishing threat from the Soviet Union, improved U.S. intelligence-gathering abilities and mounting budget deficits combined to persuade the White House that halting the flights "was an idea whose time has come," a U.S. official said.

Curtailing the flights will save the air force $18 million in the fiscal year beginning Oct. 1 and $23 million the next year, an air force spokesman said.

Since Feb. 3, 1961, the air force has continuously kept aloft, on a rotating basis, a fleet of nine planes referred to as "Looking Glass."

The planes, Boeing 707s equipped with communications and intelligence equipment, are so called because their purpose mirrors that of the Strategic Air Command's underground control center at Offutt Air Force Base in Omaha, Nebraska.

Each flight is commanded by an air force general from the Strategic Air Command, who would assume control of U.S. nuclear forces if the underground center was destroyed and top U.S. leaders killed in a nuclear attack.

In December, the Defense Department endorsed a proposal from the Strategic Air Command to curtail the flights, citing eased global tensions and increasing pressure to cut military spending.

But when Brent Scowcroft, a former air force general who is Mr. Bush's national security adviser, learned of the plan, he called Mr. Cheney to block it, objecting to the public perception that it created.

The plan, however, simmered on the White House's back burner, bubbling up with every new turn in world events and each new forecast of worsening budget deficits.

By late last month, administration officials said, Mr. Scowcroft had reconsidered his stance, found the timing better and recommended that Mr. Bush approve the plan. The president agreed.

On June 29, the chairman of the Joint Chiefs of Staff, General Colin L. Powell, sent a message to the commander of the Strategic Air Command, General John T. Chain Jr., ordering "Looking Glass" into a "ground-alert status."

General Chain commanded the last of the flights, which touched down at Tuesday afternoon at the Nebraska air base.

The administration's decision clearly reflects greater confidence in the military's ability to detect early signs of a Soviet nuclear alert.



Alejandro Balaguer/The Associated Press

Peru's New President Takes Office

Alberto Fujimori waving to crowd with his family after being sworn in as president in Lima. In an inaugural address on Saturday, Mr. Fujimori, 52, the son of Japanese immigrants who was a political unknown six months ago, promised a campaign against corruption but offered few clues as to how he will attack economic problems, including inflation that hit 2,775 percent last year. "We inherit a disaster," he said. He asked for six months' authority to legislate tax policy by decree.

Maker of Abortion Pill Said to Fear U.S. Reprisals

By Alan Riding
New York Times Service

PARIS — The French developer of a pill that induces abortion has asserted that worldwide distribution of the drug is being blocked by fears of U.S. reprisals against its manufacturer and the World Health Organization.

The pill's developer, Etienne-Emile Baulieu, 64, a biochemist, said that almost two years after the drug known as RU 486 was approved by the French government, the manufacturer, Roussel Uclaf, had so far decided only to expand its marketing to Britain despite demands from other countries.

"Scandinavia and perhaps the Netherlands will be next," said Arielle Mouttet, head of international marketing at Roussel Uclaf. "This is a step-by-step approach."

She added that the company had so far not responded to expressions of interest in the pill by China and the Soviet Union.

But Dr. Baulieu, who is a consultant to Roussel Uclaf, says the company's cautious approach to marketing the pill is a result of its fear of a backlash in the United States against its majority shareholder, the West German pharmaceutical company Hoechst AG.

Dr. Baulieu also criticized the company for passing responsibility for international approval of the pill to the World Health Organization. He said the agency had not approved it out of anxiety that the United States might retaliate by cutting contributions to its budget.

Dr. Baulieu is looking for possible shifts in U.S. policy as a result of the new abortion debate stirred by a 1989 abortion ruling by the U.S. Supreme Court, the retirement last week of Justice William J. Brennan Jr. and President George Bush's nomination of Judge David H. Souter as his successor.

"I believe the key to the future of RU 486 lies in the United States," he said. "We can't tell Third World countries to go to the WHO because we know it is not ready. It's a major obstacle, an indecent obstacle."

He said that because of its simplicity, he was convinced that RU 486 could have a dramatic effect in reducing the number of illegal abortions and related maternal deaths and injuries throughout the Third World.

"How can we ignore that 500 women die every day as a result of badly executed abortions?" he said.

The chemical method involves taking 600 milligrams of RU 486, followed 48 hours later by an injection or suppository of the hormone prostaglandin, which enhances the pill's effect and reduces the risk of hemorrhaging.

"Patients must then return some days later to insure that the abortion, which is similar to a miscarriage, has taken place successfully.

RU 486 can be taken as soon as pregnancy is confirmed, but it is not prescribed on suspicion of pregnancy. It is not supposed to be used after the 47th day after the last menstrual period.

Defending Roussel Uclaf's policy, Ms. Mouttet said the company had signed an agreement with the World Health Organization giving the international body the right to recommend the use of RU 486 in countries dominated by public-health systems.

"We don't expect to distribute in, say, China unless the WHO approves," she said. "Dr. Baulieu is a scientist and not an industrialist. Hoechst has interests in the United States and cannot do any old thing. It can't close its eyes to this reality."

Hoechst, which owns 54.5 percent of Roussel Uclaf, had sales last year totaling $6.4 billion in North America, mainly in the United States.

Although some small U.S. pharmaceutical companies have offered to market RU 486 in the United States, Roussel Uclaf has turned down their proposals, apparently out of fear that anti-abortion groups might organize a boycott of Hoechst in the United States.

"Selling in the United States is out of the question at the moment," Ms. Mouttet said.

The U.S. government has taken no position on the abortion pill, although Mr. Bush has spoken out frequently against abortion in recent years. He also has not reversed decisions by the Reagan administration to cut off funds to international organizations that support abortion.

Ms. Mouttet said that under those circumstances, it was natural for the future of RU 486 to be overshadowed by the debate in the United States.

"One consequence is that negotiations with other countries, like the Soviet Union, have been neglected," she said.

Roussel Uclaf's sensitivity to public opinion was clear a month after the pill's approval by the French government in September 1988, when threats and demonstrations prompted it and Hoechst to suspend distribution of RU 486.

Two days later, the government, which owns 36.25 percent of Roussel Uclaf, ordered it to resume distribution.

Roussel Uclaf seems delighted with the drug's rapid acceptance in France, where protests by anti-abortion and church groups have subsided. About 4,000 doses per month are now being sold to the country's 793 authorized abortion clinics. "Things are pretty calm now," Ms. Mouttet said.

She said that from April 1988 to September 1989, 20,000 women were given the pill free of charge under a carefully monitored program that showed a success record of over 90 percent.

Through February 1990, when agreement was reached with the government on a $48 price for each dose of RU 486, another 14,000 used the drug without charge.

Estimating that nearly 50,000 women have by now taken RU 486, Ms. Mouttet stressed that it was still only available at officially approved clinics and that distribution is strictly controlled to prevent the appearance of a black market in the pill.

In developing its international strategy, Roussel Uclaf has drawn up what it calls five "mandatory prerequisites" before marketing is approved.

Abortion must be legal in the country in question; local public, medical and political opinion must favor abortion; synthetic prostaglandin must be available locally; the distribution network must be strictly controlled, and patients should sign a consent form.

Ms. Mouttet said the United States currently failed to meet two of those prerequisites.

"Abortion is not an unchallenged right and synthetic prostaglandin is not on the market in the United States," she said.

Dr. Baulieu said his main concern was the Third World, where he said nearly 200,000 women die annually as a result of complications after self-induced abortions.

Free All Hostages, Iran Again Urges

Compiled by Our Staff From Dispatches

NICOSIA — A senior Iranian official, welcoming the release of a Lebanese assassin from a French prison, repeated his government's call on Sunday for all hostages in Lebanon to be freed.

The official, Deputy Foreign Minister Mahmoud Vaezi, told the French ambassador in Tehran that France's freeing of Anis Naccache and four accomplices "has had a positive impact on Lebanese Muslim groups," the Iranian press agency IRNA said.

The French foreign minister, Roland Dumas, expressed hope on Saturday that the release of Mr. Naccache and four accomplices would lead to freedom for all Western hostages in Lebanon.

French hopes coincided with a statement in the Tehran Times, an English-language newspaper close to supporters of President Hashemi Rafsanjani, that President François Mitterrand's order to let the five men leave France could "facilitate the Islamic Republic's humanitarian efforts to convince the Lebanese groups to free the hostages."

But Kayhan International, an Iranian daily identified with Muslim hard-liners, had a different view. "What Mr. Mitterrand has done is certainly a humanitarian act," the paper said. "There seems to be no need to link this act of kindness with the hostage issue."

Neither Mr. Dumas nor the Tehran Times provided any concrete indication that the Lebanese groups that hold U.S. and European hostages were ready to let them go.

But both seemed to be saying that a step such as liberating Mr. Naccache and the other four terrorists, all of whom had been in French prisons for the last 10 years, could make release of the remaining hostages more likely.

Mr. Naccache, who said he was acting for the pro-Iranian group Hezbollah, or Party of God, was freed Friday from a term of life imprisonment. He killed a policeman and a bystander in an abortive attempt in 1980 on the life of Shahpur Bakhtiar, the last prime minister of the shah of Iran.

Hezbollah is believed to be holding most of the 15 Western hostages in Lebanon.

"The Islamic Republic of Iran believes that all hostages from all nationalities, including those from Iran, must be released as soon as possible merely on humanitarian grounds," IRNA quoted Mr. Vaezi as telling Christian Graffe, the French ambassador

Mr. Vaezi said, "All those who can help in this regard should not hesitate in doing so."

Tehran says it wields moral influence, but not direct control, over kidnappers. Mr. Vaezi said he hoped the French pardon "will speed up humanitarian efforts of the Islamic Republic."

Six Americans, three Britons, two West Germans, two Swiss nationals, an Italian and an Irishman are missing and believed held hostage in Lebanon. The last of the French hostages was freed in 1988.

Asked what France expects in return for freeing Mr. Naccache, Mr. Dumas told *Le Monde*: "General pacification, a lowering of tensions in the region and, I also hope — we are working on it — the release of all Western hostages still held."

Iran maintained a particular interest in Mr. Naccache, French anti-terrorism experts said, because he had been sent to Paris by Iranian officials close to Ayatollah Ruhollah Khomeini to kill Mr. Bakhtiar.

(Reuters, WP, AP)

23 Die in Turkey Clashes

Reuters

ANKARA — A total of 23 people were killed in two clashes between troops and Kurdish separatists in southeast Turkey, Anatolian News Agency said Saturday that 18 rebels of the Kurdish Workers Party, four soldiers and a village guard were killed in gunbattles in the mountains.



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AMERICAN TOPICS

Improving Service New Matter of Course

The aspiring actor/nonprofessional waiter with the "Hi, I'm..." introduction who, as it later turns out, doesn't know who gets the fish, is disappearing as increasingly competitive restaurants put emphasis on good service, The New York Times reports.

Restaurants usually get only one chance. A customer dissatisfied with the food or service will probably never come back and is likely to tell dozens of other people about it.

The quality of food improved dramatically during the 1980s, The Times says. Programs to improve the service, which has never been considered on a par with Europe's, are springing up around the country. Classes usually run for an hour or two for three sessions — tuition ranging from $150 to $1,000. Sometimes the would-be waiter pays, sometimes restaurants pay to train new personnel.

"Restaurants usually hate to spend money training people, so they put them right out on the floor," said Ted Balesteri, co-owner of the Sardine Factory, a restaurant in Monterey, California, and a former president of the National Restaurant Association. "They don't realize they'll end up making more money with a well-trained staff.

One horror story concerns a waiter who, when a woman complained that the gin martini she had ordered had been made with vodka, tasted it, told her, "No, madame, it's gin" — and gave it back to her.

California Offenders Clean Up Highways

Many minor offenders in California work for the state transportation department, pulling weeds and clearing trash along highways — "chain gangs without shackles," the Los Angeles Times calls them. Some report only on weekends, working their regular jobs during the week. The program eases jail overcrowding; it also provided 2.5 million hours of service last year, a state spokesman said, which, at the minimum U.S. hourly wage of $3.80, would be worth $9.5 million.

The work is not voluntary. "It is hard work that in the heat of summer becomes hard labor," said one official. But most of those doing it say they prefer it to jail. Sissy McEwen, 22, with two jail sentences behind her and now serving 45 days on the road gang for a third drunk driving offense, said, "I know the monotony of jail time when the hours pass like days and the days like years, just sitting among prostitutes, drug dealers and real degenerates."

Short Takes

William H. Whyte, the city planner, tells about a new industrial park that had buildings but no sidewalks in place. "Hold back a few months and see where people walk," said the architect who designed it. "That's where you put the sidewalks." Mr. Whyte, 76, also is an advocate of ground-level streets. "They are putting up streets in skybridges," he said. "They are putting streets in underground concourses. What they are not doing is strengthening the good, old streets as we know them. The street, I figure, is the river of life of the city." Burying it or elevating it, he said, "deadens the city."

Overheard by a New York Times reader, Kenneth S. Ginger: a subway peddler demonstrating wind-up toys with the cry, "The latest thing — no batteries needed!"

About People

Alan Ashby, a retired Houston Astro catcher, recalled when he was the battery mate of Nolan Ryan, who at 43 remains one victory short of 300. "He was like most fastball pitchers," Ashby said — he wanted his catcher to use a new mitt. Why? "He wanted you to use new leather so that there was a louder pop to his pitches. He'd say, 'Aw, c'mon, make it at least *sound* right.' That's a big part of the psychology of pitching. A bigger *poooom!* can scare hitters. Everybody sitting in the dugout looks at each other and says, 'Jeez, he's throwin' good tonight.'"

Arthur Higbee



Country/Currency		12 months + 52 ISSUES	ONE-YEAR SAVINGS	6 months + 26 ISSUES
Austria	A.Sch.	5,100	3,272	2,800
— hand delivery Vienna	A.Sch.	5,400	2,972	3,000
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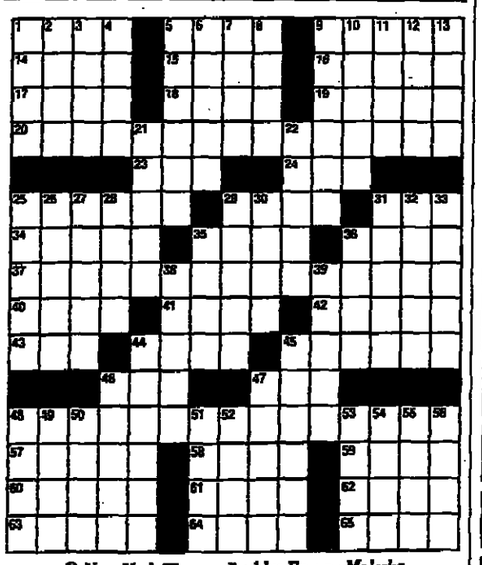
1 Information
5 Kind of school
9 Young salmon
14 "—— a man with ..."
15 Molten rock
16 Expect an arrival
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20 Story by A. Conan Doyle
23 Blushing
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60 County in W Ireland
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65 Apportion

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44 Swaps
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48 "Ramblin' wreck from Georgia ——"
49 Circle of light
50 Memorable periods of time
51 Tail end
52 Suffix with persist
53 Soil tiller's land
54 Gen. Robert ——
55 Helper: Abbr.
56 Mechanical repetition

Solution to Friday's Puzzle

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Solidarity Asunder: New Party Challenges Walesa

Washington Post Service

WARSAW — Many of Solidarity's best-known leaders, formally splitting the forces that brought down the Communist regime, have started a political party that directly challenges Lech Walesa's drive to become president of Poland.

About 1,000 delegates to a congress Saturday formed the Citizens' Movement for Democratic Action and announced their support for a constitutional amendment mandating a popularly elected president. Leaders of the group made it clear that they would run someone against Mr. Walesa.

Mr. Walesa, who heads a party called Center Alliance, wants immediate presidential elections. But he wants the choice of a new president to be made by the current parliament, rather than in a nationwide vote.

The split in Solidarity has been emerging for months as economic austerity and the defeat of a common Communist enemy have wedged apart the movement's decade-old alliance of professional and working classes.

Mr. Walesa, the charismatic anti-Communist crusader who led a united Solidarity in the 1980s, has emerged in recent months as a populist defender of Polish patriotism and the working man. His Center Alliance party has been critical of the Solidarity-led government of Prime Minister Tadeusz Mazowiecki, formerly a close friend of Mr. Walesa's.

Mr. Walesa, who helped put together the present government last year, has accused it this year of reforming the economy at the expense of workers and of being too slow to flush former Communists out of the bureaucracy.

The new Citizens' party is led by such prominent Solidarity members as Adam Michnik, a newspaper editor; Andrzej Wajda, a filmmaker, and Jacek Kuron, minister of labor. The party is the response of professionals, intellectuals and technocrats to what they describe as Mr. Walesa's "demagoguery."

The new party defends the government's "shock therapy" economic program. Such a program aims at stabilizing a market economy through reforms that create short-term but often widespread unemployment, shortages of consumer goods and a reduced standard of living.

"We know that this class is most severely touched by the austerity measures. But because of this, people of this class — workers — have to change their way of thinking," said Zbigniew Bujak, a leader of the new party and a Solidarity activist who came to national prominence while working in a tractor factory near Warsaw.

As reforms have begun to bite this year, more than 600,000 people have become unemployed, and real incomes have fallen by more than one-third.

But the shock therapy reforms have worked. Inflation is under control, and an extraordinary variety of consumer goods has begun appearing on traditionally bare Polish shelves. Western donors have given the government strongly favorable assessments, along with aid and a generous rescheduling of a $40 billion debt.

The Citizens' Movement party says its presidential candidate of choice is Mr. Mazowiecki, the prime minister whose popularity in public opinion polls is nearly double Mr. Walesa's. But it is unclear if Mr. Mazowiecki wants to give up leadership of the government to take a position that, under current law, is largely ceremonial.

Supporters of Mr. Walesa's party increased the pressure for quick elections Saturday by demanding the resignation of the current president, Wojciech Jaruzelski. General Jaruzelski is the man who imposed martial law here in the early 1980s and is serving a six-year term as president.

— BLAINE HARDEN



Gillian Allen/The Associated Press

LONDON HOSTAGE SIEGE ENDS — Policemen and workmen unloading box lunches Sunday outside Tokyo Joe's night club before the surrender of an unidentified gunman who had held more than 100 hostages for 10 hours and demanded air passage to Beirut. All the captives were freed unharmed. The hostages reportedly included members of the Kuwaiti royal family.

SOVIET: *On Top of Bad Economic News, Baltic Leaders Spurn Talks*

(Continued from page 1)

duction of meat and eggs fell below 1989 levels.

The government, meanwhile, printed 9 percent more rubles, and the average wage for industrial and service workers rose from 236 rubles to 257 rubles.

Less meat and fewer vegetables were available. The price of potatoes went up 10 percent, fruit prices were up 14 percent and vegetable prices increased 9 percent.

Overall, consumers spent 14.2 percent more on basic goods and services.

This year's budget deficit is estimated at about 90 billion rubles ($150 billion at the official rate).

The balance of payments deficit rose 150 percent, to 6.4 billion rubles.

Deputy Prime Minister Stepan Sitaryan said in a newspaper interview, also published on Sunday, that foreign debt had risen to 36 billion roubles from 34 billion roubles in the year since June 1989.

He said, however, that this was not much for a country the size of the Soviet Union and that all payments on foreign loans were being met.

This year's harvest presented an additional headache for Mr. Gorbachev. While the volume of crops grown appeared near record levels, drastic shortages of fuel, machinery and labor were limiting the harvest and the portion already gathered is well below last year's. *(Reuters, AP)*

■ **Baltic Leaders Demur**

Gary Lee of The Washington Post reported from Moscow:

The presidents of Latvia, Lithuania and Estonia have declared that they will not join planned negotiations to make the Soviet Union a looser confederation of republics and will continue to press for total independence.

The decision was announced in a joint statement at the end of a two-day meeting of the three Baltic leaders at the Latvian coastal city of Jurmala and followed discussions there with Boris N. Yeltsin, president of the Russian Republic, the Soviet Union's largest.

Mr. Yeltsin agreed last week to bypass the Kremlin and negotiate sovereign treaties on mutual relations between Russia and the Baltic states, the Latvian press reported.

In their joint statement, the Baltic leaders said they "consider it impossible" to participate in work on the new treaty of union among the Soviet republics and added that "it would be best" if negotiations on their future status "were held on the basis of the three-plus-one principle" — that is, the three Baltic republics plus the Soviet government.

The statement was signed by the three presidents, Arnold F. Rüütel of Estonia, Anatolijs V. Gorbunovs of Latvia and Vytautas Landsbergis of Lithuania. Lithuania is scheduled to begin separate talks on independence with the Kremlin in the next week or two.

A new treaty redefining the status of the Soviet Union's 15 constituent republics has been in preparation since early this year and is widely viewed as an attempt by President Mikhail S. Gorbachev to hold the country's diverse and restive republics together as the Soviet Union undergoes political and economic change.

Gorky Street? Try Tverskaya

Reuters

MOSCOW — Soviet authorities, resurrecting the prerevolutionary past, have decided to rename Moscow's best-known street and one of the navy's most modern aircraft carriers.

The Moscow City Council decided that Gorky Street, the city's central thoroughfare, would revert to its old name of Tverskaya Street, according to the newspaper Moskovsky Komsomolets.

The armed forces daily Krasnaya Zvezda, meanwhile, said the aircraft carrier Riga would be renamed Varyag, after a ship from the pre-revolutionary Russian Navy

'Three Chinas' Expected to Get Bids To Join Asian Economic Forum

By Michael Richardson
International Herald Tribune

SINGAPORE — In an effort to break down Asian ideological barriers, the United States, Japan and 10 Western Pacific nations are ready to invite China, Taiwan and Hong Kong for high-level talks on regional economic cooperation, officials said Sunday.

Observers reported the so-called "three Chinas" have expressed interest in joining the Asia Pacific Economic Cooperation forum, which was formed in November in Canberra.

Ministers from the group, which accounts for about half of global gross national product and a third of world trade, will hold their second meeting here Monday and Tuesday.

Opening the meeting Sunday, Lee Kuan Yew, prime minister of Singapore, said that "as ideological conflicts and military tensions of the Cold War fade, we are faced with the task of building a new basis for stability and security, a new balance of forces which can ensure peace and economic prosperity."

In an increasingly interdependent world, he said, this would involve "maintaining a balance in Europe through cooperation between America and the European Community and a balance in the Pacific through cooperation between America and the other 11 member countries of APEC."

The alternative, he warned, would be a division of the world on racial lines into three conflicting blocs — Asia, Europe and America.

Officials said that finding an acceptable formula that will enable China, Taiwan and Hong Kong to join the forum may be difficult.

China and Taiwan have been in a formal state of war since the Chinese Communists drove the nationalist government from the mainland in 1949.

Hong Kong, a British colony, will revert to Chinese rule in 1997. Following the army crackdown on the Chinese democracy movement in 1989, large numbers of Hong Kong residents have emigrated. Many of those remaining fear that Beijing will not honor pledges to maintain the territory's capitalist system.

Asian and Western officials said that bringing China into the economic forum would encourage Beijing to continue market-oriented economic changes and ease political restraints.

Taro Nakayama, foreign minister of Japan, said that a China "stable and open to the outside world is of critical importance" to peace, stability and prosperity of the Asia-Pacific region.

In Hong Kong, Robert A. Mosbacher, U.S. secretary of commerce, who will attend the Singapore meeting with James A. Baker 3d, secretary of state, said that Washington would welcome China, Taiwan and Hong Kong into the forum.

In a separate initiative, non-Communist countries in ASEAN, the Association of South East Asian Nations, appear to favor drawing the Soviet Union into regular talks to test the sincerity of Moscow's undertaking to reduce its military forces in the Far East and expand economic ties.

In the past, said Abu Hassan Omar, the Malaysian foreign minister, the Soviet Union represented a challenge to the existing Pacific order.

"However, now that the Soviets are changing and are apparently ready to cooperate with other Pacific countries, it would be in our interest to encourage them to take steps in that direction," he added.

At a three-day meeting which ended in Jakarta on Sunday, delegates said that eleven of the countries which will take part in the Singapore conference agreed on the need to find new ways of reducing tension.

The United States, Japan, Canada, Australia and New Zealand joined the six ASEAN countries for the Jakarta talks, which are held once a year. South Korea will join the group in Singapore to discuss economic issues.

ASEAN members are Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei.

Asian officials said ASEAN would consider whether to invite the Soviet Union to join Western nations and Japan in the next "dialogue" meeting to be held in Kuala Lumpur in 1991.

In the past, the talks between ASEAN and Western nations, which also include the European Community, were confined to economic and political issues.

The objective, said Joe Clark, the Canadian secretary of state for external affairs, "should be construction of a fabric of security which is cooperative rather than competitive."

He noted that although the Cold War was over in Europe and ideology was diminishing as a source of contention between East and West, conflicts in various parts of Asia, including Cambodia and the Korean peninsula, could disrupt regional security and economic progress.

Relaxation of superpower tensions and new approaches to security and cooperation in Europe, Mr. Clark said, "raise the question whether Asia-Pacific nations should consider developing a wider framework for political and economic dialogue."

An Asian official said that the Cambodian and Korean conflicts would have to be settled before major advances could made towards détente, as well as the territorial dispute blocking a postwar peace treaty between Japan and the Soviet Union.

MANDELA: *Party Relaunched*

(Continued from page 1)

political climate to yield advantages.

Many young blacks equate capitalism with exploitation and apartheid, business leaders say, while the authorities have devoted so much energy to trying to stamp out the party that it has achieved a certain mystique.

The government has accused Mr. Slovo of being part of a communist conspiracy to overthrow the authorities if negotiations on the country's future, set to resume Aug. 6, fail. But Mr. Slovo said he had not been inside South Africa in late May when, according to security police reports leaked to newspapers, he participated in a supposedly conspiratorial meeting in Natal Province.

He told Sunday's rally he had been in Lusaka, Zambia, at the time and that official immigration records would confirm his absence. If his version of events is proven correct, the leaks will almost certainly lend support to a view among some activists that conservative whites in the president's inner circle are seeking to derail Mr. de Klerk's process of change.

Mr. Mandela on Sunday spoke of "enemies of democracy who have built conspiratorial nests within the interstices of the power structures of this country." Mr. de Klerk has asked Mr. Mandela to drop Mr. Slovo from his Aug. 6 negotiating team.

Speaking against a backdrop of ANC and Communist Party banners, Mr. Mandela called Mr. Slovo "an old friend" and endorsed the party's role in the alliance with the ANC.

BULGARIA: *In Sofia, the Regime Keeps Its Secrets*

(Continued from page 1)

amination of the case," Mr. Ormankov said. "I was in charge of that investigation. There does not exist a reason for the re-examination of that case."

While interior ministries across what once was the East bloc have been turned upside down by democratic change in the last year, Bulgaria's security apparatus has managed to keep its murky past under lock and key. Mr. Ormankov personifies how his government manages to keep its secrets, while all those around it are losing theirs.

His job is to speak for the post-Communist present, but he retains strong professional, personal and emotional ties to his own role in the Communist past. Elsewhere in Eastern Europe, with the possible exception of Romania, most officials of Mr. Ormankov's ilk are either retired or looking for work.

In Poland, the man now in charge of the Interior Ministry is a former deputy editor of an anti-Communist newspaper. In East Germany, citizens burst into offices of the secret police, the once dreaded Stasi, and rifled through its records. In both Hungary and Czechoslovakia, elections forced significant changes in policy and officials at national security agencies.

Alone in the region, Bulgaria's Communists, who now call themselves Socialists, managed to win parliamentary elections against a well-organized opposition. That victory, which foreign observers said was relatively fair and open, has left the vast majority of government jobs unchanged. Although the Interior Ministry is now supervised by the National Assembly, opposition legislators have not been granted access to the ministry's files.

Mr. Ormankov, in a statement that the Bulgarian opposition greeted with extreme skepticism, has said that the Interior Ministry has no records on political opponents — only those of convicted criminals, spies, drug dealers and the ministry staff.

"The time has not yet come in this country when light is shining into dark corners at the Ministry of the Interior," a Western diplomat said.

As in the repressive years under Todor Zhivkov, who was overthrown in November, Western embassies continue to believe that phones in Bulgaria are tapped and that hotels frequented by foreigners are bugged. In Poland and Romania, several phone-tapped hotel rooms were shut down and shown to the press. This has not occurred in Bulgaria.

In the one case in which the Bulgarian government has announced it would re-examine the past — the 1978 killing of Bulgarian exile Georgi Markov, who was shot with a poison pellet in London by someone carrying a black umbrella — the investigation appears stagnant.

At the beginning of this year, Alexander Lilov, now head of the ruling Bulgarian Socialist Party, promised Mr. Markov's widow a full investigation of her husband's death, and Bulgaria and Britain agreed to exchange information on the case.

Last month, two Bulgarian detectives traveled to London to see what information Scotland Yard had; British detectives are expected here late in the year.

Last week, however, a spokesman for the National Investigation Service said in an interview that the Markov case was closed.

"There is no development of the case," said Major Kosta Bogatsevski. "The visit of the two detectives to England was just a way to establish contact. We hope that this will be fruitful in the future."

British and U.S. officials say they remain convinced that there was a Bulgarian link to the death of Mr. Markov, who had spoken scornfully of Mr. Zhivkov in broadcasts heard in Bulgaria over Radio Free Europe in the months before the murder.

In the shooting of the pope, Bulgarian authorities have drawn little criticism for refusing to reopen the case. A 10-month trial in Rome in 1985-86 of three Bulgarians and five Turks on charges of plotting to murder John Paul failed to prove any "Bulgarian connection."

TALKS: *Baker Fails to Sell ASEAN on U.S. Policies*

(Continued from page 1)

coalition, which includes the Khmer Rouge.

In answer to a question, Mr. Baker said he saw "a significant difference" since any Khmer Rouge members of the council would first be required to renounce the use of violence and pledge themselves to free elections.

ASEAN officials said they were not optimistic that an agreement for a council could be reached before the United Nations opened.

"We continue to differ," Mr. Alatas said. "We understand better the United States' position," he said. "We understand it. We take note of it. We have a different view," he said.

The continuing disagreements between the United States and its ASEAN allies, especially the impasse over the often emotional dispute between Washington and ASEAN over the refugees, turned what is usually a largely ceremonial gathering into a substantive discussion.

The six ASEAN countries — Thailand, the Philippines, Malaysia, Singapore, Brunei and Indonesia — are angry over Washington's continuing reluctance to agree to forced repatriation of nonpolitical refugees — believed to be about 80 percent of those currently in camps in the region.

■ **Khmer Rouge Seek Talks**

The Khmer Rouge said Sunday that it wanted to meet with its two allies in the Cambodian guerrilla opposition alliance in Beijing on Aug. 8, Reuters reported from Bangkok.

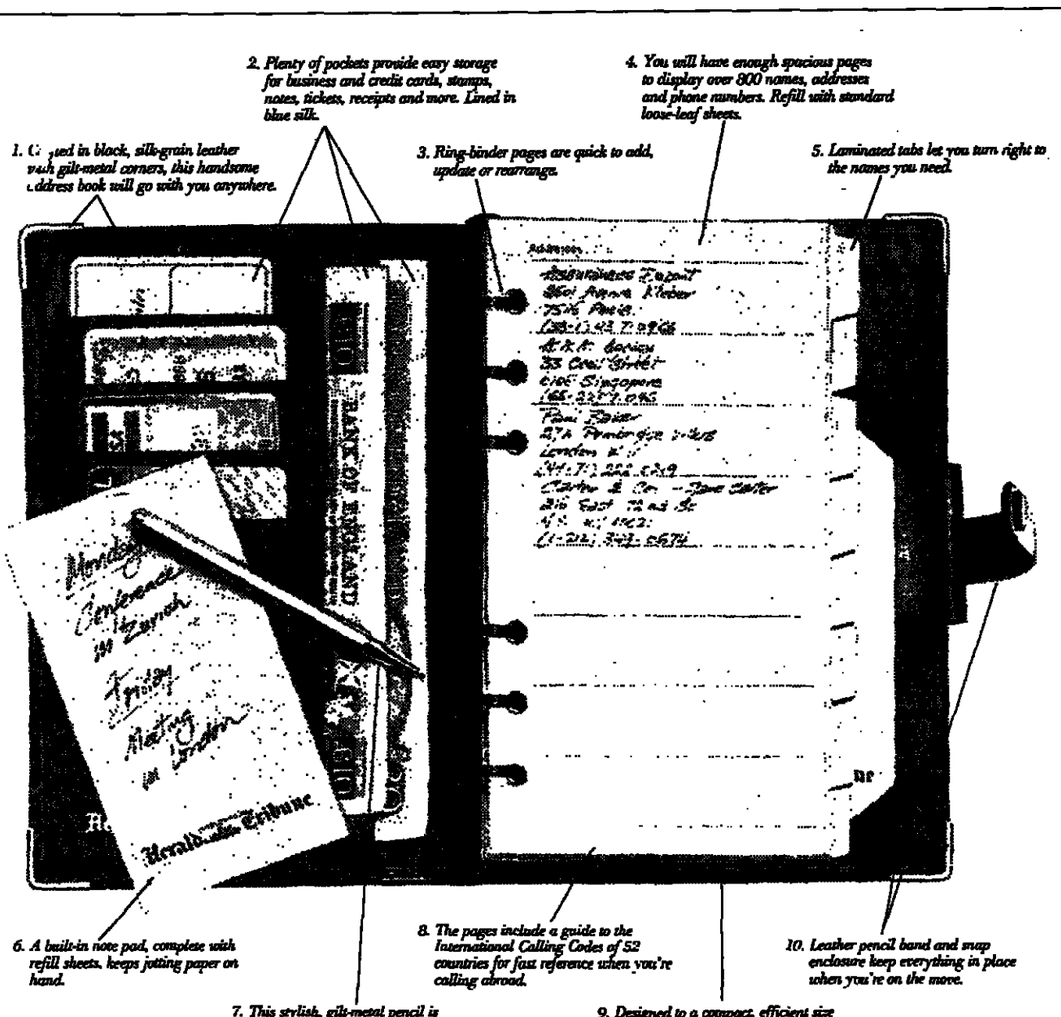
In a statement reported by the Voice of the Khmer, the radio of the two non-Communist factions allied with the Khmer Rouge, the group said a meeting of the factions called for Paris next week would, "probably not materialize." It said the Khmer Rouge and Prince Sihanouk wanted to meet in the Chinese capital instead.

U.S. Aides Protest Ban By Singapore on Papers

Washington Post Service

JAKARTA — U.S. officials going to Singapore with Secretary of State James A. Baker 3d for talks on economic cooperation in the Asia-Pacific region said Sunday that they had "strongly" protested a Singapore government entry ban against journalists from two publications.

The discussions in Singapore will take place without the presence of reporters from the region's two largest economically oriented publications, the Far Eastern Economic Review and the Asian Wall Street Journal.



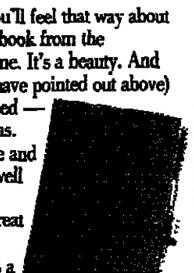
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Bruno Kreisky, Ex-Austria Leader, Dies

By Michael Z. Wise
Washington Post Service

VIENNA — Former Chancellor Bruno Kreisky, 79, who became a leading figure in world affairs while overseeing a 13-year era of political stability and prosperity for Austria, died Sunday of heart failure.

He was the longest-serving chancellor in postwar Austrian history. A nostalgic admirer of the multinational Habsburg Empire who brought renewed prominence to its shrunken remnant, Mr. Kreisky was affectionately called "Kaiser Bruno" by many of his countrymen.

While heading the government from 1970 to 1983, Mr. Kreisky strode the international stage as an advocate of Palestinian self-determination, European détente and North-South dialogue. In 1979, he became the first Western leader to receive the Palestine Liberation Organization leader, Yasser Arafat.

Mr. Kreisky played a key role in helping Austria, occupied by the Soviet Union, the United States, France and Britain after World War II, regain its independence on the condition that it pledged permanent neutrality. As a Foreign Ministry undersecretary, he was a member of the government negotiating team that flew to Moscow in 1955 to conclude the treaty by which the occupation ended.

Austria's current chancellor, Franz Vranitzky, hailed Mr. Kreisky on Sunday as "a man who brought our land and its society out of a corner and who set new standards for his time."

"His words," Mr. Vranitzky said, "were listened to by the great of the world but also by the people of Austria whose trust he won, not only for Bruno Kreisky but also for the state, through his social engagement and his unshakable fight against unemployment."

Mr. Kreisky served as foreign minister from 1959 to 1966. He resigned as chancellor on April 24, 1983, after his Socialist Party failed to win an electoral majority.

He was born in Vienna, the son of a wealthy textile merchant. He considered himself an agnostic and consistently downplayed his Jewish origins.

"I will allow no one to claim me for a specific race," he once declared.

His relationship to Judaism came under scrutiny by critics, who said it had significant political implications and contributed to a national historical amnesia.

Simon Wiesenthal has charged that under Mr. Kreisky's government there was a tacit amnesty for Nazi war criminals. It was Mr. Wiesenthal who disclosed the presence of former Nazis in Mr. Kreisky's government, drawing the chancellor's rage.

Mr. Kreisky then accused Mr. Wiesenthal's Vienna-based Documentation Center of using Mafia methods to bring perpetrators to justice, further alleging that Mr. Wiesenthal had collaborated with the Nazis while in concentration camps.

Mr. Kreisky was arrested after the 1938 *Anschluss*, or union between Austria and Nazi Germany. He had already been jailed in 1935 for his activities in the Social Democratic Party, which was then banned in Austria.

Japanese Trawlers Freed

Reuters

TOKYO — Ten of 12 fishing boats detained since May by the Soviet Union have returned after having been forced to sail to North Korea in early June, the government said Sunday.

Bomb Kills Canadian on Israeli Beach

Reuters

JERUSALEM — Israeli policemen detained eight Palestinians on Sunday on suspicion of planting a bomb on a Tel Aviv beach that killed a 17-year-old Toronto girl traveling with a Jewish tour group.

The victim of the pipe-bomb blast on Saturday was identified as Marni Kimmelman. Hospitals released 18 people wounded by the bomb.

A hospital admitted an Arab hit over the head in one of several attacks by Israelis seeking revenge.

The deputy police commander, Yehuda Vilk, said the eight suspects came from the Israeli-occupied West Bank and Gaza Strip, where Palestinians have been waging a 31-month-long revolt against Israeli rule.

It was the first fatal bombing in many years on a Tel Aviv beach. It took place on the Jewish Sabbath, when thousands pack the Mediterranean coast.

No Palestinian guerrilla group took responsibility. The attack was the most serious on Jews since a pipe bomb in a Jerusalem market killed a 72-year-old Israeli and wounded nine in May.

The home-made bomb used Saturday was in a beach bag placed between two chairs near a lifeguard station. One of the suspects was seen fleeing at the time.

Three of the wounded were Canadians from Miss Kimmelman's youth group, on a six-week holiday in Israel.

The police dispersed hundreds of incensed Israelis who shouted "bash their heads" at Arabs. They pounced on Palestinians in cars bearing license plates from the occupied territories and in a hotel where Arab laborers reside.

The revenge attacks, which injured seven Arabs, prompted condemnations from Israeli politicians and the police alike.

The Tel Aviv mayor, Shlomo Lahat, said: "We can't behave in this wild and barbaric way. One cannot jump on a man because he is an Arab and beat him."

In the occupied lands, Palestinians went on strike Sunday to mark the anniversary of Israel's annexation of East Jerusalem on July 30, 1980.

The army on Sunday ordered the closing of the offices of Faisal Husseini, a leading Arab nationalist in the occupied territories, who was named by the army as one of the key figures of the 31-month-old Palestinian uprising. The order, valid for a year, said the offices were being closed to protect public safety.

Mr. Husseini has been under constant police and army scrutiny. An Arab Study Center that he ran was closed by the army in July 1988. The annual order closing that center was renewed on Sunday and two new offices opened this year by Mr. Husseini were also ordered sealed.

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OPINION

Gorbachev's Progress

Defense Secretary Dick Cheney counts himself among the hard-line skeptics who oppose American aid to the Soviet Union and resist cuts in military spending. He told reporters that he had made a list of nine or 10 "tough" steps he would regard as "hard evidence that the Soviets have fundamentally transformed themselves."

President Mikhail Gorbachev has just taken three: accepted a reunified Germany, agreed that Germany can remain in NATO, and pledged to withdraw all his troops from Europe. So what does Mr. Cheney say now? Move the goalposts back: "I keep adding. Every time they do one, I add another."

But why? Mr. Gorbachev's considerable accomplishments have fulfilled some of America's fondest hopes for the Soviet Union. American aid could encourage him to do more, and tide him over the rough times ahead. Secretary Cheney and other Americans would do well to reflect on how much the Soviet president has accomplished in just five years.

He intervened in Eastern Europe and prodded Communist leaders there to cede power to reformers and share it with non-Communists.

He called into question Stalin's pact with Hitler that led to Soviet occupation of the Baltic republics, and says he is willing to negotiate on terms and conditions of their independence.

He withdrew Soviet troops from Afghanistan and encourages a settlement there, in Angola and in Cambodia.

He accepted Ronald Reagan's proposal to eliminate all medium-range missiles. He is withdrawing all his troops and tanks from Eastern Europe and negotiating demilitarization of his border with China.

He has allowed freer emigration, a freer press, opposition parties and multiparty elections. He has thereby created an opening for new democratic forces to emerge.

He is slowly pushing the Communist Party out of its leading role in the Soviet government and military.

He is trying to institute the rule of law in a country that has experienced centuries of arbitrary rule and gross injustice.

He is breaking the stranglehold of government ministries on the economy and moving, albeit hesitantly, to freer markets.

Having opened the floodgates to reform, Mr. Gorbachev finds himself buffeted at home by radicals who say he is moving too slowly and by conservatives who say he has already gone too far. Meanwhile the Soviet people, after years of cynical manipulation from above, react to reform with understandably deep distrust.

In 1951, George Kennan voiced the hope that a future Soviet government would be "tolerant, communicative and forthright in its relations with other states," would accept "certain limitations to the internal authority of government" and would end its "imperialist expansion and oppression." Mikhail Gorbachev has gone some way toward satisfying this hope. With persistent pressure from below and watchful encouragement from the outside, he can keep on going.

— THE NEW YORK TIMES.

Exporting for Growth

Not only is the American economy now growing very slowly, but for several years it has been growing more slowly than the statistics seemed to show. That cheerless message emerges from the Commerce Department's estimates for the spring quarter of this year and its revisions of its data back through 1987. The immediate question is whether the country is now sliding into a recession. The short answer is: Not necessarily.

But the danger is obvious. By November it will have been eight years since the last recession ended — by far the longest peacetime cycle of growth in America's history. (The longest without the adjective, if you were wondering, was just short of nine years, from February 1961 to December 1969.) As the Bush administration repeatedly points out, there is no iron law of economics that requires a recession every so many years. But it is abundantly clear that the internal forces for growth in the country have weakened. Consumers' spending is slackening as people become more cautious. Business investment has been flat for a year, and housing investment has been falling. Federal spending is hardly likely to rise. While a recession is not inevitable, what will keep business growing?

The first requirement is a budget agreement, substantial and solid, between the administration and the congressional leadership. Cutting the deficit will allow interest rates to fall, encouraging more investment. That is really the only way that federal action can hope to have much effect on the growth rate in the short term.

Beyond that, Americans are going to have to look to exports to keep the engine from slowing down. Exports have been rising rapidly for some years, and it is now crucial to keep them rising. Americans' ability to sell to customers abroad is emerging as the chief determinant of growth at home — or the lack of it. If exports don't rise, neither will employment or incomes.

President George Bush has said that his leading priority in foreign economic policy this year is the round of world trade negotiations now moving toward completion. Their purpose is to open markets wider to everybody's exports. But he is running into a lot of resistance both from governments abroad and from protectionist congressmen in Washington. Above all else, American success in exporting during the next couple of years will depend on the performance of the big economies abroad. Japan and West Germany have both swung into phases of very rapid growth that can lift demand worldwide. If the United States is now to prosper, it is going to have to make itself, like them, an export-led economy.

— THE WASHINGTON POST.

A Waste of Time

Several members of Congress propose creating a nonpartisan commission to dig out the full story of the savings and loan scandal. They make it sound like a serious attempt to rise above politics. It smells more like a refuge for politicians.

Special commissions can serve useful purposes. The Rogers commission on the Challenger shuttle explosion in 1986, for example, conducted a highly professional, technical investigation into a subject of widest interest. The Warren commission, headed by a chief justice with impeccable credentials, helped calm the nation after the assassination of President John Kennedy. The Greenspan commission on Social Security reform brokered a deal between warring Democrats and Republicans in 1983 that arguably saved the system.

But none of those special needs exist in the S&L scandal. The public is certainly entitled to the complete truth about what and who caused this historic bust, and it would be useful to pull all the facts together in one place. But the proposed commission would also be authorized to second-guess the administration's current efforts to untangle the mess, adding yet another layer to an already top-heavy structure of administrators and investigators.

It would also be useful to uncover all the meddling and conniving by key members of Congress and the Reagan administration. But many of those players are gone from Washington already; it seems much more likely that a commission would only provide cover for sitting politicians who are embarrassed by their negligence, if not complicity. Representatives and senators could duck the issue during this fall's reelection campaign by saying "We've appointed a commission."

When it came time to report, how boldly would the commission confront the roles Congress and the administration played? And would its charter permit comment on the political system that elects and appoints irresponsible officials? A recommendation to curb political contributions would be welcome from any quarter, but that is not the kind of advice Congress is looking for.

The causes of the savings and loan scandal are no mystery: high interest rates, careless deregulation, lax and possibly corrupt federal supervision and, in the industry, incompetence, greed and outright looting. Who needs a commission to confirm that? Only politicians who want to appear to be doing something.

— THE NEW YORK TIMES.

Other Comment

For an Atlantic Trade Alliance

There are convincing arguments that the climate is right for North America and Europe to chart [a daring] vision of future trade relationships. We should begin now to champion the concept of an Atlantic trade alliance. It may not be too much to imagine that one day even the Soviet Union might become a part of a large trading area.

In keeping with the spirit of the U.S.-Canada free trade agreement and the 1992 European single market, we should reach across the Atlantic Ocean and begin to tie the two continents together. North America and Europe share a common heritage and have a long history of trade relations.

By working together now to achieve consistency in regulations and standards, we can avoid the mistake of writing in isolation on each side of the Atlantic agreements that will later prove difficult to harmonize. The agreement would guarantee access and integration for U.S. companies into a potentially huge market.

— John R. Block, a former U.S. secretary of agriculture, and William Verity, a former secretary of commerce, commenting in The Journal of Commerce (New York).

Iraq Plays the Bully's Game

Having been paid off once, President Hussein will be back for more. The West must set about constraining Iraq through economic pressure. The U.S. Congress has made the first move by voting for sanctions. Britain, which seems intent on reviving trade with Iraq, should follow suit.

— The Observer (London).

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Budding Alternatives to the Gorbachev Crew

By Flora Lewis

LENINGRAD — This is the Soviet Union's second city and none too pleased about it. People claim that Leningrad, with a population of some 5 million, sends 80 billion rubles a year to Moscow and gets 20 billion back. The center deliberately puts Leningrad down and holds it back, they say, and they are just as aggrieved as people in minority Soviet republics.

For two centuries this city was Russia's capital, founded on Baltic marshland by Peter the Great to open his country to Europe and force reforms and modernization. Lined with canals and lavish old palaces, it used to be called the Venice of the North, and it has a lively, defiant spirit.

But the mood is bleak now. Everything gets worse and worse, people tell you on the street, and they see no better prospects. They don't believe that perestroika will work. They are angry and frustrated.

Still, there are current heroes, three of them. First is the new mayor, Anatoli Sobchak; then Boris Yeltsin, the new president of the Russian Republic, and Gavriil Popov, the new mayor of Moscow. All three recently quit the Communist Party.

The only good words I heard about Mikhail Gorbachev in a week here were from delegates to the Dartmouth Conference, a Soviet-American discussion group sponsored by the Kettering Foundation.

Like the neighboring Baltic republics, Leningrad wants to make its own plans. There are to be negotiations with Estonia, where food supplies are considerably better, and there is a fuzzy project for a free economic zone to attract foreign investment.

Mayor Sobchak talks about rivaling some of Spain's tourist income. Indeed, the old parts of the city and the birch-groved countryside are superb. But the city also contains a disproportionate share of what is wrong with the country. Eighty percent of its industry produces for the military, and one in every four workers is employed by those industries. Even in the Cold War we didn't need all that, said Alexander Fursenko, vice chairman of the local branch of the Academy of Sciences.

Local demand is trying to block further construction of a huge dam in the Gulf of Finland across the mouth of the Neva. It was a flood control measure, but it has already built up pollution to the point where swimming is forbidden.

As happened in Budapest with protests against a Danube dam, ecology is channeling a whole spectrum of grass-roots disgust into a political force. There are already several hundred citizens' associations, not coalesced into any effective parties but providing a base for ferment.

Leningrad is a prime example of momentum for fundamental change in the Soviet Union coming no longer from the top and the center but from the bottom up, from the regions and the provinces.

Asked who is to blame for what he called the intolerable, hopeless state of affairs, a young man who works in the port said it was the Communists and the Jews. "Well, I don't know, maybe it's not the Jews' fault, but they make the good deals."

He was lounging on the street at midday, reading one of the new independent papers, clearly well informed. "There are three things I like in life," he volunteered. "My ex-wife, whom I divorced, beer and cigarettes." He asked for a cigarette, and said, "I'd be willing to work 12 or 14 hours a day for a normal living, but it's impossible. It humiliates me to beg for a cigarette."

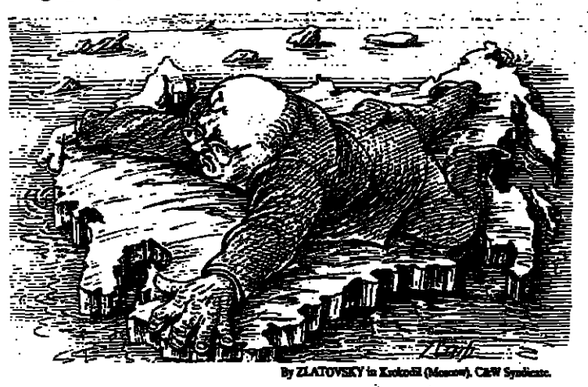
He was not like the disaffected young on American streets. He spoke with contempt of dishonest people and his own lack of direction, and he was articulate. But he saw nothing he could do to make things better.

Mr. Sobchak is one of the scarce optimists. He is a blue-eyed, 51-year-old law professor, brimming with energy and convictions about changing the system. Unknown until he ran for the Supreme Soviet, he is a product of television, through which his bold and forceful oratory made a huge impact.

He only joined the Communist Party in 1988, because then the only possibility for change was from the inside. He said he had quit because it was the way to speed the development of a multiparty system. He plans to appeal abroad for a fund for the revival of Petersburg-Leningrad (the city was formerly St. Petersburg), which he assures will again be as sparkling as a fresh American city.

He represents the new alternatives opening up to Mr. Gorbachev's leadership — dispersed but very popular, finished with the ideas of gradual change and of clinging to the center. Despite the power game in Moscow, legitimacy is shifting ground.

The New York Times.



By ZLATOVSKY in Krokodil (Moscow), C&W Syndicate.

Move On to a Political Settlement for Cambodia

By Stephen S. Rosenfeld

WASHINGTON — The relief that has greeted the Bush administration's change of diplomatic signals on Cambodia cannot be allowed to obscure that the hard core of the Cambodian problem, preventing a Khmer Rouge military takeover, remains undented and intact.

The question of which Cambodians take over their country's seat at the United Nations is mostly symbolic. Which Cambodians take over their country's government is what counts. The change of signals on the one is useful to the extent that it expedites ongoing United Nations diplomacy centered on the other.

The expressed relief, or much of it, may have had less to do with new prospects in Cambodia than with the feeling that it was past time to set matters straight with Vietnam. Call it realism, liberal guilt or post-Cold War review. It is time. But because the Khmer Rouge pose a raw threat, the impact on Cambodia requires first concern.

The United States bowed to this priority. From using the Khmer Rouge (indirectly, through support of their coalition with the non-Communist resistance) against the Hanoi-seated Hun Sen in Cambodia, it now begins using Hun Sen and Hanoi against the Khmer Rouge. This responds, however tardily and incompletely, to the crisis created by the Khmer Rouge onslaught.

America's Southeast Asian friends, in complaining about the U.S. initiative, seem all too ready to sacrifice Cambodia to their longer-range fear of Vietnam. After all, it is as a result of the policy that these governments have favored that Cambodia again faces a Khmer Rouge takeover.

These friends make another point, however, and so does Bob Kerrey, a Democratic senator from Nebraska. The American opening to Hanoi gives the Khmer Rouge their own opening to deepen their political appeal in Cambodia by evoking the current of nationalist, anti-Vietnamese sentiment that runs there. This is the downside of the American attempt to isolate the Khmer Rouge.

How, then, to move on?

First, it is foolish to think of winning a war against the powerful, Chinese-armed Khmer Rouge. The likeliest force to deploy against them would be the Vietnamese, and this is everywhere unacceptable. Senator Kerrey is on the mark in contending that the Khmer Rouge are the surest to profit from continued fighting. It is urgent to shift the struggle from the military to the political realm.

But this cannot be done simply by summoning a conference of Cambodians, and least of all a conference of Cambodians without the Khmer Rouge, as some suggest. Included, their commitment to a common solution is doubtful but perhaps conceivable. Excluded, their grim energy would inevitably go to spoiling the outcome, as the other Southeast Asian countries duly warn.

To get all the Cambodians in a room, however, outsiders must arrange the furniture. This is what the five permanent members of the United Nations Security Council have been lurching toward. Their success would stop the fighting and produce elections.

The Soviets, for their own reasons, seem to be terminating a previously open-ended commitment to their old clients in Hanoi. Not unreasonably, this has raised fears that China will be tempted to keep its Khmer Rouge guerrilla clients in the battlefield. It falls to the United States and others, including the Japanese and Southeast Asians, to induce China to bring the Khmer Rouge into line — by aiming for a geopolitical equilibrium in tippy Southeast Asia and by manipulating economic carrots.

In short, it is all very well to salute a change of American policy that distances Washington from the Khmer Rouge and moves it toward accommodation with Vietnam — although here it must be said that Vietnam's continuing human rights cruelties, as documented this month to the United Nations Human Rights Commission, cast a pall on the idea of reconciliation.

But the American change has value to Cambodia only as part of the international effort to weave a safety net under the torn and falling Cambodian nation. A gambit that unhorsed the Khmer Rouge in New York but failed to keep them from power in Phnom Penh would be an obscenity. It is not beyond imagining.

The Washington Post.

The Asia-Pacific Equation Yields a Positive Sum

By Andrew Elek

SINGAPORE — Ministers from 12 Asian and Pacific states hold working sessions here on Monday and Tuesday to advance regional economic cooperation. The participation of the United States, Japan, Canada, South Korea, Australia and New Zealand along with the six countries of the Association of South East Asian Nations in this still evolving process has major benefits for the region, particularly for ASEAN.

The countries meeting in Singapore account for 46 percent of world production and one-third of trade.

This Asia-Pacific Economic Cooperation forum gives ASEAN members — Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei — a way to project vital trading interests to their most important economic partners and on to the rest of world.

The record of relative economic performance, particularly since 1960, tells an interesting story. Those economies which have faced up to global competition and made clever use of comparative advantage to produce for world markets have outperformed, spectacularly, others which based their strategy on heavy protection. The most conclusive evidence is in the Western Pacific — in Japan, South Korea, Hong Kong, Singapore, Taiwan and, more recently, in most of ASEAN.

The dynamic East Asian states have worked hard and saved hard to invest massively in human and physical capital. They have moved deftly to take advantage of changing international market opportunities even as their own comparative advantage shifted as rising real wages rewarded rising productivity. By late 1988, it was clear that to sustain economic momentum they would have to preserve an open multilateral trading framework under the General Agreement on Tariffs and Trade.

The East Asian states had been making their own contribution to a more liberal regime. In the 1980s, Japan, South Korea, Taiwan and Indonesia took many important steps toward open trade. Some were taken under external pressure. But increasingly, market-opening measures were driven by internal economic logic, backed by evidence that protection stifles sustained rapid growth.

At the same time, East Asia was facing negative reaction to its success. As exports proved their competitiveness in a wider range of sectors, they faced mounting barriers: special trade limits for textiles, quotas and "voluntary" export restraints. Western Pacific countries realized that they had most to lose from disintegration of the GATT system but could do little individually to influence the outcome.

Against this background, Bob Hawke, the Australian prime minister, called in January 1989 for more effective, high-level cooperation in the Asia-Pacific region. His initiative proved to be a catalyst. Next came an intense process of consultation among the Western Pacific economies and their major trans-Pacific trading partners, the United States and Canada.

Ministers from the 12 APEC states first met in Canberra in November 1989. Despite the region's diversity, they agreed on guiding principles. APEC was to be outward-looking, not directed toward forming an exclusive trading bloc. It was to be based on consensus and nonformal consultations. APEC was to complement and draw on existing organizations, such as ASEAN. Subsequent participation by others was to be assessed on the basis of economic linkages, not on the basis of political ideology.

The crucial Uruguay Round of trade talks under GATT auspices that is scheduled to end in December will be the core of the agenda in Singapore at the second ministerial meeting. Trade ministers from the 12 APEC countries are to meet again in Vancouver in September and again in Brussels in December to try to make sure that the Uruguay Round produces substantial results.

This week's Singapore meeting is also an opportunity for regional economic decision-makers to evaluate implications of the emergence of fledgling market economies in Eastern Europe and assess the consequent increased call on world savings to rebuild Eastern Europe.

There will be constructive discussion on how to reduce the trade imbalance between the United States and East Asia, particularly Japan.

The meeting is also expected to endorse a work program in sectors ranging from human resource development to energy and telecommunications. Such work is essential to identify the region's common economic interests, and to progress from the rhetorical to the practical.

There will be some discussion of enlarging participation in APEC. The immediate challenge is to find a way of involving China and the economies of Taiwan and Hong Kong. All three are important economies with strong links to all current participants. It will take time and great care to resolve sensitive political issues relating to their involvement, but it is important to try.

In the next few years, by bridging the Pacific, APEC will help ensure that protectionist sentiments in America, which will persist until the U.S. budget deficit is narrowed, do not lead to any bilateral solutions at the expense of third parties. Everyone can benefit from further market openings in Japan and elsewhere in Asia, even if these are negotiated bilaterally, provided that they lead to nondiscriminatory outcomes. The result of the U.S.-Japanese beef negotiations is a good example. The greatest benefits go to Japanese consumers, but beef producers everywhere can now compete for their custom.

The countries meeting in Singapore account for 46 percent of world production and one-third of global trade. As APEC develops, it will be able to exercise a powerful influence on the international economic agenda.

It should not be seen as an adversary of the European Community. It can be a positive influence on Europe. APEC can help reinforce those who do not want an inward-looking "fortress Europe" if it can lead by positive example, especially in GATT.

But time is short for the Uruguay Round, and the outcome of the trade talks in Geneva last week was disappointing. A fundamental problem is that too many negotiators still insist on the right to damage their economies by protection as long as others do the same. Approached in this way, game theory tells us that trade negotiations will be driven to second-best solutions, or to breakdown.

Knowing that open trade works best, from evidence and not just from theory, it should be possible for APEC to use the Uruguay Round and future rounds of negotiations to liberalize world trade by outflanking the vested interests of protection. The multilateral negotiating environment provides a good opportunity to reduce the costs that protection of the least efficient economic sectors impose on the rest. Approached in this way, multilateral negotiations become positive sum exercises.

The writer, a senior research fellow at the Australian National University, is acting as adviser to the Australian delegation at the Singapore meeting on Asia-Pacific Economic Cooperation. He contributed this comment to the International Herald Tribune.

More Than May Meet the Eye

By Jusuf Wanandi

JAKARTA — The emergence of APEC reflects the growing importance of economic interchange and consultations in Asia and the Pacific to sustain dynamic economic development. But APEC's activities have wider implications.

At a time when some in the United States would like to turn inward and raise barriers to the outside world, APEC helps the United States to have a positive focus on Asia and the Pacific and maintain its strategic interests in the region.

In addition, APEC can help stabilize U.S.-Japanese relations, which are vital for the future of the Western Pacific. It is a forum that encourages Japanese and American leaders to continue to work together constructively and to solve problems.

APEC provides a structure for drawing China, the world's most populous country, into dialogue with market-oriented countries, thus providing stimulus for further reform in China and for improvement of relations between China and the rest of the region.

The forum could also be used for testing, and responding to, the desire expressed by the Soviet Union to play a constructive and larger role in Asian and Pacific affairs.

Should Europe resort to protectionism, APEC could provide an effective counterweight to maintain open, multilateral trade and investment. Even if Western and Eastern Europe unite, APEC could help maintain the economic attractiveness of Asia and the Pacific.

If APEC works well, it could become a model for promotion of sound and workable relations between developed and developing states in a regional framework in other parts of the globe.

The writer is chairman of the supervisory board of the Center for Strategic and International Studies in Jakarta. He contributed this comment to the International Herald Tribune.

Hero Havel Should Stop And Think

By A. M. Rosenthal

NEW YORK — Vaclav Havel has unburdened himself of a weight too heavy for anybody to carry this side of the grave — sainthood. What a relief it must be to him to have accomplished this. Now he can say and do as many foolish things as other presidents, without having to feel he has offended Heaven.

And what a relief to all those who admire his record as a fighter for freedom. Now they do not have to feel that criticizing him when he says or does something hurtful betrays the cause of liberty. And they can now admit without being crushed by guilt that they do not like all his plays.

The tone of the paragraphs above is too light and ironic. I suppose that like many other people I was reluctant to say flat out how deeply this hero of the Czechoslovak revolution of 1989 offended in 1990. But he has.

There it is on front pages and television. Around the world, Vaclav Havel, the philosopher-president, grins away with Kurt Waldheim.

Mr. Havel, president of a country less than a year out of bondage, visits the Austrian president. Ever since he took office, Mr. Waldheim has been boycotted because he lied about where and how he had served the German Army. He knew that telling the truth would have prevented him from becoming secretary-general of the United Nations, so he lived a lie all the 10 years he was head of the very organization that came out of the German defeat. He was afraid to reveal that he had served in a unit that committed war crimes of murder and torture against partisans from Greece, Yugoslavia and other countries.

Mr. Waldheim knew what was going on in his unit. His lies about his record made him a symbol of all the campaigns of falsehood designed to conceal, minimize or even deny the horrors of Germany's Nazi era.

The Austrians elected him president despite or because of his lies and record. Only a handful of leaders would see him — some Muslim rulers, the Pope and the president of Cyprus. The United States bars Mr. Waldheim even from entering the country. Imagine the outrage if George Bush or François Mitterrand visited Mr. Waldheim as an "expression of respect" for Austria.

The same outrage should not be spared Mr. Havel.

Czechoslovak freedom fighters, who fought as hard as he did against the Communists, publicly appealed to him not to do this thing. In the United States, Mr. Havel's friends from the days when he was running from the police are stunned and unhappy.

Surely he did not think that his homily in Salzburg about not rewriting personal history would take the curse off the visit. Nor could he have believed that the shock would be less because he went with the president of Germany, of all countries.

Once before this year he cruelly distorted history. Admirers pretended not to hear — a mistake for them, and him. On March 15 he said that fear of Germans because they were Germans was the same as anti-Semitism.

President Havel: Fear of Germans remains because Germans were guilty of mass murder and torture, acts so evil that they still cannot be comprehended by sane minds.

Jews were persecuted through the centuries by anti-Semitism and were slaughtered by the millions because of German anti-Semitism. They had committed no crimes beyond daring to be alive. They left no heritage of murder to create fear of Germans.

Many Germans, particularly younger ones, know that it will take time and deeds to eliminate the fear.

President Havel: Does the difference between Jewish fear of Germany and anti-Semitism really have to be explained to you?

Why did he commit this visit to Mr. Waldheim? He may be so entranced with his vision of himself soaring high above Europe's history, so convinced that he is the young messenger of a young Europe pirouetting into a new day that he does not give a damn anymore what people think. But now and then even a philosopher-hero should take account of the emotions and values of people who remember yesterday and its lessons. They resent his gesture of "respect" and his airy misinterpretations of their history.

Fortunately, nobody has to be a saint to be a good president, not even an admired rebel against tyranny. But around the world Mr. Havel's friends hope he will pause now for thought — long enough to realize that history, philosophy and honest human values did not begin with his election, nor did the memory of truth end with it.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: Salvador Triumph

SANTA ANA — In eleven battles which have taken place to date with the Guatemalan Army, the Salvadoreans have been victorious. The remnants of the Guatemalan Army have fled in the greatest disorder towards the interior. Not a single Guatemalan remains on the frontier. There has been a Revolution started against Barillas in the Departments of the East headed by various generals of prestige, and the downfall of the present President is considered a foregone conclusion at an early date with complete loss of all political strength.

1915: Blood in Haiti

NEW YORK — A despatch from Port-au-Prince says that President Guillaume to-day [July 28] was dragged from the French Legation, where he had taken refuge, and assassinated by the mob led by relatives of the political prisoners executed yesterday by the President's orders. According to a State Department report, the mob at Port-au-Prince, after having shot the President, tore his body to pieces and paraded the town carrying the portions at the end of poles. After being dragged through the streets, the mutilated body was buried by several women in a cemetery outside the Capital. The city is quiet.

1940: U.S. Girds for War

WASHINGTON — President Roosevelt, noting the "increasing seriousness of the international situation," asked Congress today [July 29] for full authority to order out the National Guard and organized reserves for intensive training and to send them out of the United States if necessary to defend the Western Hemisphere and American possessions, including the Philippines. President Roosevelt reported that the National Guard was now at the highest state of efficiency in its peace-time history.

— From the New York edition of the New York Herald Tribune.



Herald International Tribune.

BUSINESS/FINANCE

** MONDAY, JULY 30, 1990



WALL STREET WATCH

Circuit Breakers Work, Industry Leaders Assert

By Eben Shapiro
New York Times Service

CHICAGO — The embattled U.S. futures industry finally got a break last week, and it came in the guise of plummeting markets. When the dust settled after the plunge on Monday, industry executives declared a victory for the Chicago Mercantile Exchange's self-imposed circuit breakers.

Circuit breakers temporarily halt trading in wildly swinging markets.

On Monday, when contracts for the Standard & Poor's stock index futures fell 12 points — the equivalent of 100 in the Dow Jones industrial average — the Mercantile Exchange's circuit breakers kicked in and were widely credited with stemming the drop in both the futures and stock markets.

> **'We could keep our heads up high about how the markets responded.'**

The action was well timed. The next day, at scheduled hearings before the Senate Banking Committee, futures industry representatives were able to point proudly to this performance as evidence that the regulatory system is functioning.

When Senator John Heinz, Republican of Pennsylvania, suggested that the futures industry had done little to correct problems that exacerbated the 1987 market collapse, Leo Melamed, chair of the Mercantile Exchange's executive committee, put it succinctly: "Circuit breakers are in place, and they work very well."

Added Ted Doukas, an executive with the Chicago Board of Trade, where circuit breakers were also triggered on Monday: "We could keep our heads up high and say some very good things about how the markets responded."

Despite all the talk of victory, experts remain divided over whether circuit breakers can claim credit for stemming the drop in the markets. Some even question whether such an effect is for the best. In fact, the Commodity Futures Trading Commission has criticized circuit breakers in the past.

Recently, however, this discussion has been overshadowed by the much louder political debate over who should have regulatory control over the futures exchanges.

WHILE CIRCUIT breakers are not a key issue in the turf war between the commodity futures commission and the Securities and Exchange Commission, they do play a role and were freshly examined last week amid this highly charged environment.

Hans R. Stoll, a professor of finance at Vanderbilt University, said it is not clear that circuit breakers perform as intended. Still, he said, if the public perception was that they helped, it would be useful ammunition for the futures industry.

"It reduces the political pressure to move authority from the CFTC to the SEC," he said. The Bush administration's plan to do just that has recently faltered.

Circuit breakers were introduced after the 1987 stock market collapse in response to the public outcry. The mechanisms, which include trading halts and price limits, give traders a chance to gather their bearings in a wildly swinging market.

Supporters say they are not meant to keep a market from dropping only to help it drop in an orderly fashion. Several studies of volatility — the most recent a report by the New York Stock Exchange — have recommended circuit breakers, and the stock and futures exchanges have instituted a number of them over the last few years.

Circuit breakers are triggered by large price movements. A week ago, when the futures contract for the S&P 500-stock index fell 12 points at the Chicago Mercantile Exchange, contracts were not allowed to trade at a lower level for 30 minutes.

At the New York Stock Exchange, if the Dow Jones industrial average dropped by 250 points, trading in all stocks would be halted for an hour. This has not happened since the rule went into effect in 1988.

Critics charge that a trading halt prevents buyers and sellers from completing trades. Big price drops, they say, can be beneficial by attracting bargain hunters.

There is also concern about a so-called magnet effect. When prices approach a circuit breaker, the drop accelerates in a rush to sell before the mechanism is triggered.

The SEC chairman, Richard C. Breeden, and Wendy Gramm, who chairs the futures commission, have interpreted various studies to bolster their position over which agency should oversee future.

The General Accounting Office issued a third report, saying the two agencies had used incomplete data.

Carl Gewirtz is away.

Krupp and NEC Plan China Ventures

Compiled by Our Staff From Dispatches

BEIJING — In a sign that big foreign companies are joining the stream of investors returning to China, it was reported Sunday that two major Western companies are negotiating for major joint-venture contracts.

West Germany's Krupp Stahl AG is negotiating to build a $400 million steel plant with Chinese partners, China Daily reported. The newspaper also said Japan's NEC Corp. is planning to sign a $150 million contract to produce integrated circuits with a Chinese steelmaker.

The reports came less than a week after Prime Minister Li Peng asserted that international attempts to isolate China following the June 1989 massacre of prodemocracy demonstrators were coming to an end. Chinese officials last week said that they expected a surge in foreign investment in the coming months.

The Krupp and NEC deals, if signed, would equal in dollar terms all of the foreign investment made in China during the month of June.

Krupp is planning to build the plant along with Taiyuan Iron & Steel Co., a major Chinese producer of special steels; and Beijing-based China International Trust & Investment Corp.

Krupp would own 30 percent of the joint venture, CITIC 30 percent and Taiyuan the remaining 40 percent, the report said.

It added that the plant would use modern equipment to produce 415,000 metric tons of high-quality alloy steel and 350,000 tons of rolled steel annually. That would make the plant China's second-largest, after the Baoshan steel plant in Shanghai, the paper said.

In a separate report, China Daily said that another major Chinese steel producer, the Capital Iron & Steel Complex, plans to sign in August a $150 million joint-venture agreement with NEC, a major electronics manufacturer.

The new company in Beijing would produce 50 million integrated circuits a year, the report quoted Chen Xiuqi, a director of the Municipal Foreign Economic Relations and Trade Commission, as saying.

It said Mr. Chen would not disclose the shares of investment in the project.

China is one of the world's largest steel producers, with 1989 output estimated at 61.4 million tons. But it imports steel to meet a growing domestic demand for alloy steel, carbon steel and bearing steel, particularly for its auto industry, the report said.

China's auto industry has been depressed for more than a year, and the country's National Automotive Industry Corp. said last week that major problems remain. Output has declined following Beijing's austerity program, which requires that all government departments and companies get official approval before they buy cars.

(AP, AFP)

Japan Economy Set to Break Growth Record

Reuters

KARUIZAWA — Japan's economy is set to grow steadily for at least another year and break its post-World War II record for a continuous growth period, the head of the country's Economic Planning Agency said on Sunday.

"The current period of steady economic growth will probably continue for another year or so and become the longest growth period since the end of the war," the agency's director-general, Hideyuki Aizawa, told a seminar of the ruling Liberal Democratic Party.

The steady growth is supported by strong consumer spending and capital investment, he said.

Government figures show Japan's economy expanded for the 44th consecutive month in June, breaking the second-longest record for postwar growth. The record of 57 months was set in the 1960s.

The Japanese economy grew 5.3 percent in real terms in 1988 and 5 percent last year. The agency predicted it would grow 4 percent this year.

"But I think it will grow faster," Mr. Aizawa said.

In a separate session of the seminar, which was held in this mountain resort north of Tokyo, Finance Minister Ryutaro Hashimoto said it was the government's responsibility to uphold a strong yen.

Both men said that the country's biggest economic concern was prices.

The yen should be kept strong against other currencies as part of a policy to combat a surge in prices, Mr. Hashimoto said.

Japan's inflation rate was 2.1 percent last year, one of the lowest among advanced countries, and is forecast to slow to 1.8 percent this year.

Japanese should realize that the yen has now become a truly international currency and the government should therefore make every effort to maintain its value, Mr. Hashimoto said.

"For the first time, the G-7 declaration did not mention the dollar but instead spoke only about the yen," Mr. Hashimoto said, referring to May's meeting in Washington of finance ministers and central bank officials from the Group of Seven most industrialized nations.

The G-7 nations are Japan, the United States, West Germany, Canada, France, Britain and Italy.

Mr. Hashimoto pointed out that the yen, along with the European Currency Unit and the U.S. dollar, has been designated an official currency for providing funds for the newly created European Development Bank.

In addition to fluctuations of the yen, Mr. Aizawa cited labor shortages and rising oil prices as other concerns affecting consumer and retail prices, which have a substantial influence on overall economic performance.

Mr. Hashimoto said that his targets in government finance were how to deal with pressure from the United States and other countries, to assume more responsibility in the global economy and to reduce the government's dependence on bonds to finance its deficits.

The Japanese government has issued bonds totaling as much as 164 trillion yen ($1.1 trillion), Mr. Hashimoto said.

One goal in the next government budget, for the fiscal year that begins April 1, 1990, is to reduce revenue dependence on bonds to 5 percent of the total sum, he said.

Iraq Meeting With Kuwait On Oil Row Is Delayed

Compiled by Our Staff From Dispatches

BAGHDAD — Iraq said Sunday that a meeting with Kuwait aimed at ending their dispute over oil and land might not take place this week and suggested Kuwait was to blame. The meeting had been expected in Jeddah, Saudi Arabia, over the weekend.

"The meeting did not take place on Saturday and it seems that it will not take place this day and might not take place this week," said the Iraqi News Agency. It said Kuwait could be responsible for the delay.

But official Saudi sources later said the meeting would go ahead in Jeddah on Tuesday. The sources said the talks would be attended by Kuwait's Prime Minister Sheikh Saad al-Abdulla al-Sabah and the vice-chairman of Iraq's ruling Revolutionary Command Council, Izzat Ibrahim.

The Iraqi agency said presidents Saddam Hussein of Iraq and Hosni Mubarak of Egypt agreed last week that a meeting between Iraq and Kuwait would be held over the weekend.

Subsequent meetings would take place in Baghdad to reach a solution "to the issues presented by Iraq in its memorandum to the Arab League."

The confrontation between the Gulf neighbors began 12 days ago when the Iraqi president accused Kuwait and the United Arab Emirates of stabbing Iraq in the back by cheating on OPEC oil production quotas and driving down world prices.

Jordan's King Hussein flew to Baghdad and Kuwait on Sunday in the latest round of intensive Arab mediation efforts.

Meanwhile, Egypt's oil minister, Abdel Hadi Kandil, said Sunday that his country would set new prices for crude oil on Wednesday following the latest decision by the Organization of Petroleum Exporting Countries to raise oil prices.

Mr. Kandil, quoted by the semi-official Al-Ahram newspaper, praised OPEC's decision to put up the price of oil from $18 a barrel to

See OPEC, Page 9

Noriega Banker Convicted

The Associated Press

TAMPA, Florida — Manuel Noriega's longtime personal banker was convicted along with five others Sunday in a scheme to launder $32 million in cocaine profits for the Medellin cartel.

The verdicts came after seven days of jury deliberations and a six-month-long trial of five international bankers and a Colombian businessman associated with the Bank of Credit and Commerce International, which is based in Luxembourg.

Convicted of conspiracy and various money-laundering counts were Amjad Awan, Miami-based assistant director of BCCI's Latin American division and a former banker to the deposed Panamanian leader; four other ex-employees of BCCI; and a Colombian businessman.

The verdicts were read shortly before noon Sunday in a federal courtroom packed with friends and relatives of the accused.

Prosecutors hailed it as an important victory in the U.S. war on drugs.

Defense attorneys had little comment, but one vowed appeals.

Mr. Awan and the other defendants were arrested Oct. 6, 1988, at a bachelor party and wedding staged by the U.S. Customs Service to lure them to Tampa.

They were accused of conspiring with an undercover Customs agent to launder $14 million in proceeds from the sale of cocaine in six U.S. cities. During the entire two-year investigation, the government processed $32 million in partnership with a Medellin cash launderer.

Before the trial began in January, two subsidiaries of the Luxembourg-based bank pleaded guilty to the money-laundering charges and forfeited $15 million to the government, more than triple the previous largest penalty ever assessed against a bank.

In addition to the fine, BCCI, one of the world's largest private financial institutions with 72 offices, was put on five years probation under the Federal Reserve System and agreed to open its books to prosecutors investigating Mr. Noriega, a BCCI customer.

Also convicted Sunday were Ian Howard and Sibte Hassan of BCCI's Paris branch; Akbar A. Bilgrami of the bank's Miami branch; Syed Aftab Hussain, who worked for BCCI in Panama; and the Colombian businessman, Rudolph Armbrecht, an aircraft broker.

U.S. District Judge William Terrell Hodges ordered all the defendants taken into custody by U.S. marshals, but he did not set a date for sentencing. The six each face up to five years on the main conspiracy charge. They also individually face sentencing on specific money-laundering counts that each have a 20-year maximum.

Mr. Hassan was convicted on three of six money-laundering counts; the others were all convicted of all the money-laundering counts lodged against them: Mr. Awan on 14, Mr. Bilgrami on 21, Mr. Hussain on 19, Mr. Armbrecht on nine and Mr. Howard on four.

Brazil Reforms Squeeze U.S. Profits

By Stuart Auerbach
Washington Post Service

WASHINGTON — Brazil's free-market economic policies are drawing rave reviews from American officials and economists, who see them as the only way for that country to get out from under its crushing debt and crippling price spiral.

But for many U.S. companies doing business in Brazil, economic reforms have begun to squeeze profits back home.

Just last week, Ford Motor Co., General Motors Corp. and Whirlpool Corp. blamed sharp declines in their second-quarter profits on adverse economic conditions in Brazil.

Earlier, Danaher Corp., the holding company for a variety of industrial operations, said the largest part of a 9 percent drop in second-quarter earnings was due to changes in the Brazilian economy. This is true even though only 1 percent of Danaher's revenue comes from Brazil, the company said.

Caterpillar Inc. also reported that its second-quarter global earnings will be cut in half as a result of losses in Brazil.

And Sundstrand Corp., another manufacturer of equipment for farms, construction products and industry, announced that losses in Brazil were dragging down profits.

> **'It's a new ball game; companies are willing to bite the bullet.'**
> **William T. Archey, Chamber of Commerce.**

The reasons for the decline in profits are varied, although they usually include the effect of translating income earned in Brazilian currency into U.S. dollars at the new exchange rate.

The anti-inflation measures also have sparked a recession, cutting demand for Whirlpool's refrigerators, cars made in Brazil by GM and Ford, and other consumer goods.

Ford, which together with Volkswagen AG owns Autolatina, a Brazilian automaker, felt the effects of the economic contraction with lost sales. When Brazilians started buying again, they picked less-expensive models.

Caterpillar was hurt by the inflation-reduction program, which dried up capital that would go for new construction.

Workers at Whirlpool's Brazilian factories, once considered models of labor stability, disrupted production by going on strike. On Friday, the government responded to labor unrest by ordering companies to give lower-paid workers a $45-a-month inflation bonus.

Still, most American executives support the policies of President Fernando Collor de Mello as the best hope in the long run.

"It's a whole new ball game in Brazil and the companies are willing to bite the bullet," said William T. Archey, international vice president of the U.S. Chamber of Commerce.

The Whirlpool chairman, David Whitwam, called the Brazilian economic reforms necessary and vital even though they are lessening his company's profits.

Looking ahead, he said that Whirlpool affiliates in Brazil "have responded aggressively to the tough economic conditions and their combined efforts resulted in an overall profitable quarter in local currency."

Before Mr. Collor instituted his reforms, inflation was out of control at more than 1,700 percent a year. Corporate managers complained that they spent more time managing money than improving production.

■ Petroleo Profits Up

Petroleo Brasileiro SA said it had first-half net profits of $466 million, up 26.3 percent from the previous year, Reuters reported Saturday from São Paulo.

The gain came despite a net loss of $202 million in the mining subsidiary Petromisa, Petrobras said. Petrobras said the Petromisa loss included a $114 million provision for probable equity losses from the shutdown of the subsidiary. The figures were converted into dollars by Petrobras.

The company said Petromisa is being closed as part of an effort by the government to cut its public-sector deficit.

Petromisa, which employed 1,300, consumed $1 billion of Petrobras's funds since its creation in 1977, the daily newspaper O Estado de São Paulo reported last November.

The financial report did not explain how the profit improvement evolved. Analysts have predicted that profits at Brazil's largest company would improve with higher retail prices.

Shevardnadze Says USSR Set to Discuss IMF Role

Agence France-Presse

MOSCOW — The time is ripe for the Soviet Union to begin discussions on joining the International Monetary Fund, Foreign Minister Eduard Shevardnadze said Saturday after a meeting with the IMF head Michael Camdessus.

For his part, Mr. Camdessus said that "it is in our mutual interest that the Soviet Union and the IMF cooperate more in the future," Tass reported.

Mr. Camdessus was on a working visit to the Soviet Union and met earlier with Prime Minister Nikolai Ryzhkov. The two men discussed a convertible ruble and possible Western economic aid.

The IMF, the World Bank and the European Bank for Reconstruction and Development were charged by the Group of Seven leading industrialized nations, after their summit meeting in Houston earlier this month, to complete a study on how to aid the Soviet economy.

Meanwhile, President Mikhail S. Gorbachev said Saturday that foreign aid, especially financial, is crucial.

Japan's Investors Irate Over Big-Firm Bailout

By T.R. Reid
Washington Post Service

TOKYO — Everyone thought that among the biggest losers in the 1987 global stock market collapse were Japan's major corporations and insurance companies.

Now, leading officials in the Ministry of Finance have confirmed Tokyo newspaper reports that a dozen Japanese brokerage firms, including giants Daiwa and Yamaichi, secretly bailed out their largest customers to the tune of $110 million or more.

Evidently the brokerage firms did not provide the same benefits to their U.S. customers or even to small investors in Japan.

The brokerage houses apparently wrote off the bailouts as business expenses.

News of the bailouts was carried by Tokyo newspapers Friday and reported on television in tones of outrage.

Morning news shows were full of angry small investors denouncing the brokerage firms and a national financial structure in which the rich seem to come out ahead no matter what.

The revelation that stock market *oh-guchi*, or big mouths, were protected against loss while small investors suffered without recompense is giving new impetus to a growing populist sentiment here.

Government officials, embarrassed and defensive, were quick to declare that they were on top of the case and would make sure such selective bailouts would not recur.

Tokyo newspapers said tax officials plan to hit the brokerage firms with penalties and fines of about $50 million.

The brokerage firms offered varying responses.

A Daiwa spokesman said such bailouts "absolutely did not occur."

A Yamaichi spokesman declined to be specific, but said whatever his firm had done was approved in advance by tax authorities.

In addition to securities firms, Taiyo Kobe Mitsui Bank, the world's largest bank, was also accused of selective bailouts for big customers after the 1987 collapse.

The bank's president, Kenichi Suematsu, said he had personally apologized to the Finance Ministry for his firm's role in the affair.

Although it is a fuzzy area, compensating customers for trading losses may be illegal under Japanese securities laws.

Still, helping out good customers in tough times is a venerable tradition in Japanese business.

Daiwa, for example, was found liable for back taxes last year because of compensation it paid some *oh-guchi* investors for losses in the 1970s.

In New York, an executive with a Japanese brokerage firm said the tradition of keeping clients whole is deeply rooted in Japan's financial culture. American brokerages, he added, did not include making up for client losses as being within their definition of customer service.

According to press reports, the Japanese securities firms engineered the bailouts by rigging the trading in Japanese stock warrants, which were a hot new product in Kabutocho, Japan's Wall Street, in 1987.

The warrants, a contract giving the buyer the right to purchase a share of stock at a given price in the future, were sold to favored clients at such low prices that they were almost guaranteed to make a profit.

■ Notification of Loan

Kyodo News Service reported Sunday that Prime Minister Toshiki Kaifu said Japan would formally inform China during the Asian Games of its plan to resume an 810 billion yen loan package to Beijing, Reuters reported.

U.S. Machine-Tool Orders Show 27% Increase for June

New York Times Service

NEW YORK — Orders for U.S.-made machine tools rose 27.2 percent in June, from May's level, reflecting a surge in exports, according to a monthly report by the industry's trade association.

Economists cautioned that the rise did not reflect any significant boost in domestic capital spending, which they described as continuing along its sluggish course.

In a report to be released Monday by the Association for Manufacturing Technology, machine tool orders rose to $262.65 million in June, from May's level of $206.4 million.

The June figures reflect a 9.1 percent increase from the level of new orders in June of last year. For the first half of 1990, machine-tool orders were down 4.8 percent, compared with the same period last year.

For the last few months the level of new orders has been fluctuating widely. After two successive monthly increases in March and April, some analysts said that the gains reflected slight increases in capital spending by domestic manufacturers, particularly in the aircraft industry.

Economists said that the June figures continue to show that there remains some reluctance on the part of manufacturers in the United States to make large capital spending plans.

Machine tools cut or shape metal parts used in products ranging from appliances and vehicles to aircraft and construction materials. The strength of tool orders generally reflects the strength of industrial production.

Economists consider machine tool sales patterns to be important indicators of capital spending by manufacturers.

CURRENCY RATES

Cross Rates

July 27

	$	£	D.M.	F.F.	Lire	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.829	3.325	1.2272	6.1263	0.154 *	—	5.475 *	1.2226	1.2332 *	1.385	1.826 *
Brussels	33.486	60.9175	22.5725	6.344	2.8225 *	18.2725	—	24.346	0.2216	25.3625	33.555*
Frankfurt	1.4222	2.587	—	0.2804	0.1246 *	0.8822	4.861 *	1.1877	1.074 *	1.486	1.428 *
London (a)	1.8365	—	2.9598	9.7165	2.3466.50	3.3298	60.975	2.5868	234.265	2.1125	181.38
Madrid	99.627	181.43	61.488	18.326	8.392 *	54.516	2.9565	77.63	64.0825 *	86.45	—
Milan	1,187.80	2,163.75	732.28	218.48	—	649.78	35.57	865.36	7.884	1,029.88	11.919
New York (b)	—	1.8375 s	1.4115	5.3955	1,779.51	1.514	29.145	1.3815	149.80	1.1524	99.795
Paris	5.4325	9.913	3.3525	—	0.4578 *	2.9745	8.1428	3.9616	3.4028 *	4.714	5.4585*
Tokyo	159.55	130.71	92.65	27.67	8.1767	82.23	4.5068	109.17	—	138.71	1.5135
Toronto	1.152	2.128	0.7149	0.2135	0.077 *	0.6362	2.473 *	0.8455	0.7229 *	—	1.163 *
Zurich	1.3445	2.5016	0.8451	0.2525	0.1156 *	0.7594	4.892 *	—	0.9104 *	1.1854	1.3796*
1 ECU	1.2253	0.6899	2.3677	6.9326	1,514.33	2.2087	43.5777	1.2489	112.103	1.4698	122.699
1 SDR	1.3487	0.7399	2.3078	N.Q.	1,602.45	2.4468	45.853	1.8528	283.045	1.5516	134.346

Closings in London and Zurich. Fixings in other centers: New York closing rates, Toronto rate at 3 p.m.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Arab. emirat	3.673	Greek drac.	158.25	Mex. peso	2870.00	S. Afr. rand	2.6105
Austral. $	1.2755	Hong Kong $	7.764	N. Zealand $	1.6972	Soviet ruble*	0.5367
Austr. schil.	11.40	Indian rupee	17.452	Norw. krone	6.2475	Swed. krona	5.905
Brazil cruz.	67.63	Indo. rupiah	1892.00	Phil. peso	23.47	Taiwan $	26.83
Algerian dinar*	4.72	Irish £	0.6928	Port. escudo	142.00	Thai baht	25.64
Danish krone	6.17	Israeli shek.	2.81	Saudi riyal	3.75	Turkish lira	3644.83
Egypt. pound	2.7024	Kuwaiti dinar	0.2899	Sing. $	1.8185	UAE dirham	3.672
Fin. markka	3.793	Malay. ring.	2.7057	S. Kor. won	715.10	Venez. bolív.	49.75

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.8176	1.8083	1.7979	Canadian dollar	1.1524	1.1632	1.1681
Japanese yen	149.99	149.94	149.93	Swiss franc	1.3650	1.3648	1.3630
Deutsche mark	1.6199	1.6197	1.6193				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	July 27	July 20	Chge
DJ Indus.	2,898.51	2,961.14	—2.12 %
DJ Util.	203.35	202.15	+0.59 %
DJ Trans.	1,134.67	1,159.49	—2.14 %
S & P 100	336.26	345.33	—2.63 %
S & P 500	353.44	361.61	—2.26 %
S & P Ind	418.04	428.49	—2.48 %
NYSE Cp	193.32	197.65	—2.19 %
Britain			
FTSE 100	2,330.10	2,400.10	—2.92 %
FT 30	1,842.90	1,898.10	—2.91 %
Japan			
Nikkei 225	30.863	32.422	—4.81 %
West Germany			
DAX	1,919.81	1,947.43	—1.42 %
Hong Kong			
Hang Seng	3,485.80	3,540.43	—1.54 %
World			
MSCIP	519.80	538.10	—3.40 %

World Index From Morgan Stanley Capital Int'l.

Money Rates

United States	July 27	July 20
Discount rate	7.00	7.00
Federal funds rate	8.00	7 15/16
Prime rate	10.00	10.00
Japan		
Discount	5¼	5¼
Call money	7 7/16	7 7/16
3-month interbank	7 21/32	7 19/32
West Germany		
Lombard	8.00	8.00
Call money	7.95	8.00
3-month interbank	8.20	8.20
Britain		
Bank base rate	15.00	15.00
Call money	14 15/16	15.00
3-month interbank	15.00	14 31/32
Gold	July 27	July 20	Chge
London p.m. fix $	366.75	361.00	+1.59 %

OPPORTUNITIES

Siège social:
20, boulevard Emmanuel Servais
R.C.S. Luxembourg B-24062

Messieurs les actionnaires sont convoqués par présent avis à

L'ASSEMBLEE GENERALE EXTRAORDINAIRE DES ACTIONNAIRES

qui se tiendra au siège social à Luxembourg le 8 août 1990 à 15 heures avec l'ordre du jour suivant:

ORDRE DU JOUR

Modification des articles 1 à 28 des statuts de la Société et suppression des articles 29 et 30 aux statuts de la Société, conformément à la loi du 30 mars 1988 relative aux organismes de placement collectif et adoption de la version coordonnée des statuts.

Le libellé de l'article 3 s'énoncera comme suit:

"L'objet exclusif de la Société est le placement de ses fonds disponibles principalement en valeurs mobilières variées et de divers pays d'Europe, des deux Amériques, d'Asie, d'Océanie ou d'Afrique, sans limitation dans le but de répartir les risques d'investissement et de faire bénéficier ses actionnaires des résultats de la gestion de ses actifs. La Société peut prendre toutes mesures et faire toutes opérations qu'elle jugera utiles à l'accomplissements ou au développement de son objet dans tout ce qui est permis par la loi du 30 mars 1988 concernant les organismes de placement collectif".

La version coordonnée des statuts comprenant ces changements est à la disposition du public au siège social de la société.

Le quorum pour cette assemblée générale extraordinaire est de 50% du capital social représenté par les actionnaires présents ou représentés par proxy.

Les résolutions sont prises à la majorité des deux tiers des voix des actionnaires ou représentés.

Pour la Société,

Banque de Gestion
Edmond de Rothschild Luxembourg
Société Anonyme
20, bd Emmanuel Servais
L-2535 Luxembourg

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WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. July 27

Australian Dollars

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A B N Austral	14½	94	112½	10.11	
A I D C	12¾	91	97¼	14.69	
A I D C	14	92	98	15.22	
A I D C	12¾	90	96½	47.83	
Amro Bank	13¾	98	96¾	27.86	
Anz Bk Gp	16¼	92	100	16.23	
Anz Bk Gp	n.a.	91	84¼	26.78	
Anz Bk Gp X/w	13	92	93½	17.04	
Austri Control	12¾	93	94	14.98	
Austri Control	13¾	94	98	14.36	
Austri Volksbk	13¾	90	96¼	32.41	
Austria	14¼	92	100¼	13.95	
B M W Fin	14½	92	100½	14.02	
B N P	14	91	97½	14.74	
B N P	14	97	96¼	14.29	
B N P	12½	93	93⅝	15.17	
B N P (Aust)	14	90	97	31.38	
B P Capital	14½	92	98¼	14.93	
B P Capital	12¾	92	96¾	23.00	
B P Capital 'A'	13¾	92	99	14.34	
Barclays	12¾	90	96¼	40.63	
Bayernhyp Fin	13¾	90	96¾	25.54	
Bq Genl Lux	13¾	90	96⅝	32.04	
C B A	12½	93	94¼	14.99	
C B A	15¼	94	101½	14.61	
C B A	14	92	98¼	14.41	
C B A	14	95	97⅞	14.68	
C B A	13¾	99	97¼	14.29	
C C F Aust	14	90	97¼	48.69	
C I B C Austrl	14½	90	97½	19.86	
Chrysler	13¾	92	93½	17.98	
Colgate-Palm	14¾	91	97¾	16.69	
Commerzbank	12½	98	99½	24.75	
Council Europe	14	92	98	14.57	
Council Europe	13	93	97	14.57	
Cr Lyonnais	13	91	97¼	14.78	
Cr Lyonnais	14	91	97½	14.74	
Cr Lyonnais	13¾	90	97	28.79	
Cr Suisse	14½	92	98¾	15.77	
Creditanst	12¾	90	94¾	33.28	
D F C Finance	13	98	35	n.a.	
D G Bank	12¾	90	96¼	37.97	
D G Bank	13¾	90	97	39.64	
Daimler-Benz	14¼	95	100	14.24	
Denmark	14	92	98¼	17.14	
Denmark	12¼	93	97½	23.06	
Deut Bk	12¾	92	97½	15.96	
Deut Bk	13¾	93	96	14.90	
Deut Bk	12¾	95	93	14.89	
Deut Bk	12¾	90	96	28.37	
Deut Bk Aust	14½	95	100⅝	14.18	
Deut Bk Fin	14½	92	98	15.77	
Deut Bk Fin	15	94	101½	14.38	
Dresdner	12¾	98	96½	n.a.	
Dsl Bank	13¾	98	97	51.87	
East Kodak	n.a.	92	71¾	28.53	
Eurofima	12½	93	95½	14.88	
Eurofima	13¾	94	96¼	14.67	
Eurofima	13	95	96½	14.83	
Exportfin	12¾	95	92½	14.61	
F B D B	19	90	100¼	15.09	
Ford Cred Aus	14	92	98¼	15.15	
Ford Cred Aus	13	93	96¼	14.61	
Ford Cred Aus	13½	92	96¾	14.92	
Ford Cred Aus	15¾	94	101⅝	14.59	
Ford Cred Aus	12⅝	90	96¼	68.24	
Ford Motor Cr	12¾	98	98½	19.84	
Ford Motor Cr	13¾	91	98	16.67	
Ford Motor Cr	15¼	94	100	15.22	
Genfinance	12¾	90	96¼	49.33	
Girozentr Wien	12¾	92	97	14.74	
GMAC	14¼	91	98¼	16.10	
GMAC Aust	12¼	91	97	25.77	
GMAC Aust	13¾	92	97¾	14.96	
GMAC Aust	13¾	92	98	14.97	
GMAC Aust	16	92	101½	15.07	
GMAC Aust	15¾	93	100⅞	14.89	
GMAC Aust	16	92	101¾	14.71	
Heinz	12¾	91	97½	15.52	
I B M	15¾	93	100⅝	14.97	
I B M Aus Cred	12¾	92	96¼	15.00	
I B M Aus Cred	13	92	96¼	15.25	
I B M Aus Cred	15	93	101⅞	14.86	
I B M Aus Cred	14½	93	99¾	14.53	
I B M Aust	12¾	91	97¾	14.74	
I B M Aust	15½	92	101	14.76	
I B M Aust	15¾	93	102¼	14.52	
I C I	15	92	100⅛	14.52	
I C I	15½	92	101	14.74	
Indust Kred Bk	12½	90	96½	53.48	
Kreditbank	14¼	90	97¼	42.46	
Mcdonalds	14⅛	91	99¼	14.71	
Mcdonalds Con	15	95	99¾	15.12	
Montreal Tstco	14¼	90	97¼	20.55	
N S W Treasury	14¼	92	98¾	14.81	
Natl Austrl Bk	14¾	94	100	14.65	
O L B	13¾	91	97	16.52	
Pepsico	13	90	96½	33.17	
S E C Victoria	12¾	95	98½	15.12	
S E K	12¼	91	98⅛	14.76	
S E K	14½	92	99¼	14.79	
S E K	12¾	92	94½	14.95	
S E K	14	91	98½	18.75	
Skandl Enskild	13¾	90	96¾	33.18	
Soc Gen	13	92	97	15.64	
Soc Gen	12½	93	95¼	14.63	
St Bk Nsw	12½	91	97¾	15.02	
St Bk Nsw	13¾	93	98½	14.39	
St Bk Nsw	14¼	99	97¼	14.38	
St Bk Sth Aust	15¾	94	101	14.81	
Sth Aust Govt	n.a.	91	54	15.18	
Sweden	15	94	101½	14.26	
Sweden	13¾	94	98¼	14.24	
Tor-Dom Aust	16¼	92	104¾	15.73	
Toyota Credit	13¾	91	97¼	14.91	
U B S Fin	14	94	99⅝	14.26	
Volkswagen	15	94	102¼	14.11	
Westd Ldbk	12¾	90	96½	56.45	
Westlb Fin	13¾	90	96¾	30.14	
World Bk	13¾	92	97½	14.92	
World Bk	14¼	94	98¾	14.62	
World Bk	12¾	94	95	14.35	
World Bk Jul	12¾	94	95½	14.72	
World Bk Mar	12¾	93	95½	14.65	

Canadian Dollars

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A I D C	10	91	98	12.59	+102
A I D C	10¼	93	93½	12.91	+131
A K Z O	11	92	97½	12.97	+119
Abbey Natl	10¾	93	96	12.81	+129
Abbey Natl	10¾	94	93½	12.98	+109
Alberta Prov	10¾	94	96½	12.02	+60
Amer Genl	10	91	97	12.80	+130
Amex	10¾	98	[illegible]	12.48	+80
Arco Fin	11	93	95	13.05	+147
Asik-Cger	11	91	96½	13.08	+120
Asik-Cger	11½	92	98¾	13.03	+115
Austri Control	9	97	91½	10.84	-36
Austri Control	10½	93	96¼	12.58	+80

Yen Straights

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A I D C	6	96	91	8.00	+78
Abbey Natl	5¾	93	92	8.23	
Abbey Natl	5¾	94	89¼	8.42	
Allied Corp	6¾	91	97½	8.79	
Amex	5¾	91	94¾	8.50	
Amex	5¾	93	94¾	8.65	
Arco	6¾	94	[illegible]	8.40	
Asian Dev Bk	7¾	96	97	8.26	
Austr Telecom	5¾	99	85	8.09	
Australia	5½	91	97¾	8.10	+64
Austri Control	5¾	91	98	8.02	+56
Austri Control	4¾	93	92¾	7.52	+25
Austri Control	4¾	92	[illegible]	8.48	
Austri Control	5	93	92½	8.27	
Austria	6¾	94	92	7.44	+30
Austria	7	95	[illegible]	7.38	+19
Austria	5¼	99	[illegible]	7.20	-4
Austria	5¾	03	[illegible]	7.94	
Austria	5¾	07	[illegible]	7.84	
Austria 'A'	5¾	96	92	7.29	+3
Austria 'B'	5¾	01	84	8.11	
B F C E	4¾	93	92	7.63	+86
B F C E	5¾	96	89½	8.67	
B P	7	92	98	8.28	
Barclays Overs	6	92	98	7.76	+44
Bayer Ldbk	5¾	91	98	8.57	
Bayer Vereinsbk	5¾	91	97½	8.44	
Bca Lavoro	5½	91	97½	8.48	
Belgium 2 M	4¾	94	88¾	7.44	+29
Belgium	7	91	96¼	8.58	+112
Belgium	5¾	92	95	7.52	+12
Bk Tokyo	6¾	93	95	8.10	
Bco Finance	6	93	94	8.58	

Pound Sterling

Issuer	Cpn	Mat	Price	Yld	Spd Trsy
A I D C	10½	99	86¼	12.24	+103
Abbey Natl	11¼	95	95½	13.72	+98
Abbey Natl	13¾	95	100¼	13.25	+88
Alliance	11¾	94	94½	13.48	+186
Alliance	11¼	96	92¼	13.23	+91
Alliance	14¼	95	103¼	13.26	+107
Alliance Tr B	14¾	95	103¼	13.24	+107

Plants have fed the world and cured its ills since life began.
Now we're destroying their principal habitat at the rate of 50 acres every minute.

We live on this planet by courtesy of the earth's plant-life. Plants protect soils from erosion, regulate the atmosphere, maintain water supplies and prevent deserts forming. Without plants man could not survive.

Yet, we're destroying the tropical rain forests they grow in at the rate of 50 acres a minute – making a crisis for ourselves and a bigger one for our children.

What can be done about it? A practical international plant conservation programme is now well under way all around the world. It is a plan for survival which you can help make a reality by joining the World Wide Fund for Nature.

We need your voice and financial support. So get in touch with your local WWF office, or send your contribution direct to the World Wide Fund for Nature at: WWF International, CH-1196 Gland, Switzerland.

Save the plants that save us.
WWF FOR WORLD CONSERVATION

WWF acknowledges with thanks the donation of this space by International Herald Tribune. Advertisement prepared as a public service by Ogilvy & Mather

MUTUAL FUNDS

Figures as of close of trading Friday, July 27.

NEW YORK (AP) — The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

NL — No initial sales load. f — Previous day's quote. r — Redemption charge may apply. x — Ex dividend.

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...rld and cured its ills
...nce life began.
...re destroying their
...incipal habitat
...at the rate of
...res every minute.

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
Credito Italiano (Grand Cayman)	$150	2000	3/16	100	—	Over 3-month Libor. Variable rate notes, with fallback rates of ⅛ over Libor until 1995 and of ⅜ over thereafter. Noncallable. Average life 8 years. Fees not disclosed. Denominations $10,000. (Merrill Lynch Int'l.)
Nationwide Anglia Building Society	DM 300	1995	1/32	100.20	—	Over 6-month Libor. Noncallable. Fees 0.20%. (Westdeutsche Landesbank.)
Fixed-Coupons						
Oesterreichische Kontrollbank	$200	1995	9	100¼	100.75	Noncallable. Fees 0.25%. (J.P. Morgan Securities.)
Bayerische Landesanstalt fuer Aufbaufinanzierung	DM 100	1998	9½	100	—	Interest will be 9½% in the first 2 years and 15⅛% less 6-month Libor thereafter. Noncallable. Fees 0.30%. (Trinkaus & Burkhardt.)
Daimler Benz Int'l Finance	DM 200	2000	9½	100.80	—	Interest will be 9½% in the first 3 years and 15⅛% less 6-month Libor thereafter. Noncallable. Fees 1.70%. (Deutsche Bank Capital Markets.)
Deutsche Bank Finance	DM 300	2000	9½	100.80	—	Interest will be 9½% in the first 3 years and 15⅛% less 6-month Libor thereafter. Noncallable. Fees 1.70%. (Deutsche Bank Capital Markets.)
General Electric Capital	DM 150	1997	9¾	101¼	—	Interest will be 9¾% in the first 2 years and 15¾% less 6-month Libor thereafter. Noncallable. Fees 1¼%. (Merrill Lynch Bank.)
Landeskreditbank Baden-Wuerttemberg	DM 300	2000	9½	100.10	—	Interest will be 9½% in the first 2 years and 16% less 6-month Libor thereafter. Noncallable. Fees 0.30%. (Trinkaus & Burkhardt.)
Crédit Local de France	FF 1,000	1995	10	101.72	100.02	Noncallable. Fees 1⅜%. (Société Générale.)
IBM Int'l Finance	FF 1,000	1997	10	101⅜	100.13	Noncallable. Fees 1⅜%. (BNP Capital markets.)
British Gas Int'l Finance	Lr. 100,000	1994	12¼	101.40	99.98	Noncallable. Fees 1⅛%. (Banca Commerciale Italiana.)
KFW Int'l Finance	C$ 150	1995	11¾	101⅛	99.33	Noncallable. Fees 1⅜%. (Dresdner Bank.)
Oesterreichische Kontrollbank	C$ 150	1995	11¾	101⅛	99.38	Noncallable. Fees 1⅜%. (Deutsche Bank Capital Markets.)
Quebec Province	C$ 250	2000	11½	98.97	98.85	Noncallable. Fees 0.325%. (Société Générale.)
Toyota Motor Credit	C$ 125	1995	11⅞	101¼	99.65	Noncallable. Fees 1⅜%. (Wood Gundy.)
Ford Credit Australia	Aus$ 75	1995	14½	101¾	99.88	Noncallable. Fees 2%. (Hambros Bank.)
Telecom of New Zealand Overseas Finance	NZ$ 60	1993	13½	101.80	100.43	Noncallable. Fees 1½%. Increased from NZ$50 million. (Kreditbank.)
Banco di Sicilia	¥ 5,000	1993	7.30	101⅜	—	Noncallable. Fees 1½%. Denominations 100 million yen. (IBJ Int'l.)
Den Norske Bank	¥ 5,000	1993	7.31	101⅜	—	Noncallable. Fees 1½%. Denominations 100 million yen. (IBJ Int'l.)
Nisson Capital of America	¥ 10,000	1993	7½	101¼	—	Noncallable. Fees 1½%. Denominations 10 million yen. (Yamaichi Int'l Europe.)
Nordic Investment Bank	¥ 30,000	1995	7¼	100	—	Noncallable. Fees 0.25%. (Nomura Int'l.)
Skopbank	¥ 10,000	1993	7½	101⅜	—	Noncallable. Fees 1½%. Denominations 10 million yen. (Nippon Credit Int'l.)
Equity-Linked						
Nochi-Fujikoshi	$150	1994	4¾	100	102.75	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set July 30. (Yamaichi Int'l Europe.)
Ricoh	$300	1994	4¾	open	104.00	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set July 31. (Nomura Int'l.)
Seiyu	$250	1994	4¾	100	—	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 2,245 yen per share and at 149.20 yen per dollar. Fees 2½%. (Nomura Int'l.)
Toyo Sash	$150	1994	4¾	100	106.50	Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set Aug. 2. (Nomura Int'l.)
Toyo Sash	$150	1997	5½	100	100.50	Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set Aug. 2. (Nomura Int'l.)
Yuken Kogyo	$ 60	1994	5⅛	100	103.50	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2½%. Terms to be set July 31. (Daiwa Europe.)
Inabata & Co.	DM 110	1994	4⅞	100	—	Noncallable. Each 5,000-mark note with five warrants exercisable into company's shares at 1,011 yen per share and at 92.01 yen per mark. Fees 2½%. (Nomura Bank Deutschland.)

5 Countries to Meet on Farm Trade

The Associated Press

LONDON — The world's five most powerful agriculture ministers are to meet in Ireland on Monday to discuss the farm disputes that have stalled global trade liberalization talks.

The ministers of the United States, Japan, Canada and Australia will hold a two-day meeting with the European Community's agriculture minister at Dromoland Castle near Shannon in western Ireland.

The EC said the five agriculture ministers will assess developments since the Group of Seven summit meeting in Houston earlier this month, where the industrial world's leaders gave impetus to efforts to end farm support.

"The meeting is an occasion for certain major players to exchange views. That is extremely useful," said an EC official, who asked not to be named.

Through the General Agreement on Tariffs and Trade, 105 nations are negotiating for more liberalized world trade, which could bring added growth and prosperity to the world's economies.

The so-called Uruguay Round of talks, which began in 1986, are to end in December, but there are doubts that an overall agreement can be reached by the end of the year.

The talks cover 15 areas of trade, including intellectual property rights, textiles, trade-related investment and trade in services. But the principal disagreements center on agriculture.

The United States and 14 other countries that export agricultural products want the EC to end its export credits system and cut direct subsidies for farmers, which the critics say distort trade.

The developed world's farm subsidies cost $245 billion last year, according to the Paris-based Organization for Economic Cooperation and Development.

The EC's cost was $93 billion, Japan's $68 billion and the United States' $46 billion, the OECD said.

The EC agriculture minister, Ray MacSharry of Ireland, convened this week's meeting, which will focus on domestic agricultural policies, international agricultural trade, rural development and Eastern Europe, the EC said.

The private talks, dubbed "the Quint Meeting," mark the first time the so-called "Agricultural Five" are meeting in Europe.

The ministers also are scheduled to visit a farm in western Ireland to view working conditions of small farmers on Europe's periphery, the EC said.

The statement issued at the Houston summit meeting left it to GATT negotiators to decide how much to cut subsidies.

OPEC: *Oil Meeting Is Delayed*

(Continued from first finance page)

$21 and agree on a production ceiling of 22.491 million barrels a day until 1991.

Egypt, a non-OPEC member, sells crude oil on the free market with prices set according to fluctuations on the market and in conformity with OPEC guidelines.

On Saturday, OPEC President Sadek Boussena of Algeria said oil prices could soon reach the $21 a barrel target price, and pass that level in December.

"We think it (the agreement) will be carried out effectively this time," he told Algiers Radio. "In that case, I say the price level could be reached quickly because we have set a ceiling on production, we have limited production till the end of the year."

Mr. Boussena said the production limit was below projections for demand in the fourth quarter of the year.

"So part of the stocks will be drawn down by consumers, at least the part which was surplus stock which was pulling down prices, so prices will firm up once again if everyone applies it strictly.

"Next December you might have a price higher than $21," he said.

Oil analysts say the market increasingly believes OPEC members will stick to their quotas and that this will help bring prices up later in the year.

Mr. Boussena said that if OPEC did ease production quotas next year, it would simultaneously raise the reference price.

Analysts said the landmark OPEC pact stood a fair chance of meeting its target by year-end.

"It is a credible agreement, because I think Saddam Hussein wants it that way," said Nauman Barakat, a senior analyst of New York-based Shearson-Lehman-Hutton. "As long as he is willing to make threats, I think the Kuwaitis and the emirates will abide by it."

The OPEC parley was preceded by Iraqi military muscle-flexing along Kuwait's border over a long-standing territorial dispute and chronic production quota oversteeping by Kuwait and the emirates, triggering intense diplomatic activity in the Gulf.

If OPEC countries collectively "stay close to their quotas, oil prices could remain stable through the third quarter and could rise by a further two dollars in the fourth quarter when world demand rises seasonally," said Paul Miotok, an analyst at Morgan Stanley & Co.

The new reference price fell markedly short of Iraq's initial call for a $25 target. But the final communique reflected the concerns both of those members which want to maximize their oil export earnings — including Algeria, Iran, Iraq and Libya — and Gulf producers with large reserves, such as Saudi Arabia, Kuwait and the United Emirates, which have placed more emphasis on market share.

OPEC ruled that any upward adjustment of the production ceiling, starting next December, should be linked with a hike in the reference price.

(Reuters, AFP)

EUROBONDS
BY CARL GEWIRTZ
IN THE IHT EVERY MONDAY,
PLUS A COMPREHENSIVE LISTING
OF EUROBOND PRICES

U.S. Drilling For Oil to Jump In 2d Half

United Press International

HOUSTON — Oil-exploration activity is expected to increase sharply during the second half of this year, making 1990 the best U.S. drilling year since 1986, according to World Oil magazine.

The prediction, based on a June survey of 23 major and 200 independent operators, said 19,773 wells will be drilled during the last half of the year, an 18 percent increase over the first six months.

World Oil's publisher, Robert M. de Sombre, said his magazine's midyear review, which appears in the August issue, boosts the total number of wells from the January forecast of 33,498.

The latest estimate forecasts 36,490 wells will be drilled nationwide in 1990.

"What all this points to is the best drilling year since 1986," Mr. de Sombre said.

"But it will still be only 40 percent of the 1981 level and far short of having any impact at all on the deplorable decline of U.S. production and reserves."

The rig count continued to climb during the second quarter, while oil prices trended downward until the beginning of the second half, he said.

Bond Market Expects Easing

Weak U.S. Economy Could Force Fed to Lower Rates

Compiled by Our Staff From Dispatches

NEW YORK — Bond market analysts suggested that evidence of a weakening U.S. economy might be enough to persuade the U.S. Federal Reserve Board to ease interest rates.

The latest indication of weakness came in Friday's figures for second-quarter growth in the gross national product. The 1.2 percent rate compared with 1.7 percent in the first quarter.

Prices of all Treasury securities climbed and yields fell on Friday amid signs that the economy might be closer to a recession than data had previously indicated.

"The trend in the GNP data tells us to expect a recession by the fourth quarter," said Philip Braverman, senior vice president and chief economist at the DKB Securities Corp., the domestic arm of the giant Dai-Ichi Kangyo Bank of Tokyo. "The Federal Reserve's soft-landing scenario is turning into a crash landing. The Fed will now have to ease credit and ease aggressively."

The Fed took steps two weeks ago that lowered interest rates, a

U.S. CREDIT MARKETS

day after the central bank's chairman, Alan Greenspan, suggested that lower rates might be needed to stimulate the economy. But since then, Mr. Greenspan has indicated that he did not see an immediate need for further easing.

Robert H. Chandross, chief economist at Lloyds Bank, said "Normally, the Fed does not immediately respond to GNP data, but it will have to because the revised data for the previous two quarters and all of 1989 do not look good."

Samuel Kahan, an economist at Fuji Securities Inc. of Chicago, said that the timing of a Fed easing depends on the Washington talks on reducing the federal budget deficit. He voiced some optimism that this could be achieved before Congress recesses for its summer break, or at least by September.

One of the few positive aspects of the latest GNP data is that they are expected to attract greater participation at the Treasury's next refunding auctions, the terms of which will be announced on Wednesday.

In late trading on Friday, the Treasury's benchmark long bonds, the 8.75 percent issue maturing in 2020, were offered at 102 31/32, up 22/32, as the yield fell to 8.47 percent, from 8.53 percent the day before and a week earlier.

The long notes, the 8⅜'s of the year 2000, added 14/32, at 103 1/32, for a yield of 8.41 percent, down from 8.47 percent a week ago. *(NYT, UPI)*

Mexico's Oil Giant Facing Change

By Juanita Darling
Los Angeles Times Service

MEXICO CITY — As the Mexican government sells off hundreds of state enterprises, from sugar mills to the telephone company, a prime source of speculation is how long Petróleos Mexicanos SA, the government-owned oil monopoly, can remain untouched.

"Petróleos will remain the property and under the control of the Mexican government," President Carlos Salinas de Gortari told oil workers at a ceremony marking more than half a century of nationalization. "This decision of our people is irrevocable."

Mr. Salinas has made it clear that his decisions to bring Mexico into the world economy and to clean up the environment are just as irrevocable. Those goals cannot occur without significant changes at Pemex.

Part corporation and part national myth, Pemex dwarfs Mexico's private industrial giants just as its gleaming 43-story headquarters dwarfs other buildings here.

The company provides about 33 percent of Mexico's exports, and its $19 billion in 1989 revenues were equal to more than 10 percent of the gross domestic product.

Since Mr. Salinas took office in 1988, he has begun to open Mexico to imports and foreign investment. He insists that Mexican companies compete internationally.

Pemex's exclusive franchise to find, extract and refine Mexico's oil wealth makes it crucial to economic modernization.

> **'Pemex does not have to disappear, but it must change.'**
> **Oscar Vera Ferrer, industry official**

"Pemex does not have to disappear, but it must change," said Oscar Vera Ferrer, assistant director of economic studies at Desc, an industrial conglomerate.

In fact, the revamping of Pemex has already begun:

- One of Mr. Salinas' first acts as president was to arrest the legendary oil workers union leader Joaquin (La Quina) Hernandez Galicia after a dramatic gun battle between police and union bodyguards.

The arrest, on charges of illegal arms possession, cleared the way for a new labor contract last August that reduced featherbedding and sharply restricted the union's role in Pemex's contracts with private companies.

- A year ago, the Pemex monopoly on petrochemical production was reduced from 35 chemicals to 20, and the number of chemicals that could be produced only by companies with majority Mexican ownership and special government permission was set at 66, compared with 400 previously.
- In February, Pemex's marketing and petrochemical operations were spun off into autonomous departments. The new petrochemicals department, in a reversal of policy, has sought financing from foreign companies.
- Pemex now makes regular reports on pollution levels of rivers in the petrochemical-manufacturing region along the southern Gulf of Mexico.

Unthinkable five years ago, these actions are believed to be just the beginning.

Four Mexican chemical companies, disappointed in Pemex, have been shopping around for a refinery that would enable them to manufacture and import their own petrochemical raw materials. Not long ago, such a purchase would have been considered an act of disloyalty.

Spending limits have forced Pemex to curtail exploration and halt construction of petrochemical projects, leaving plants inoperative and some only 60 percent to 80 percent complete.

"It is not that Pemex does not have the money," said Alejandro Forte Aragon, director of corporate relations at Celanese Mexicana, an important Pemex customer. "The company has plenty of borrowing capacity. However, as part of the government, it is subject to spending and borrowing ceilings."

Despite the limitations, Pemex was given additional responsibilities after Mr. Salinas took office.

Iraqi Threat Boosts Stock in U.S. Oil Firms

By Floyd Norris
New York Times Service

NEW YORK — Iraq's threat to take military action against competitors who undercut its prices for crude oil breathed new life into the markets for U.S. crude oil and oil company shares.

On Wall Street, the oil stocks have replaced the growth stocks and the technology stocks as the market stars.

Chevron and Texaco were featured prominently last week on the shrunken list of stocks making new highs on Wall Street, as hopes of rising profits drew investors who have been stunned by just how low profits seem to be in the rest of the economy. Exxon came within a whisker of hitting a 1990 high.

It may be too strong to say that what's good for Exxon is bad for America. But historically, what has been good for oil stocks has seldom been good for the entire stock market.

Rising oil prices are paid by everyone, and while some parts of the economy benefit, the net effect is similar to that of a tax increase, draining money that would have gone to other uses.

Oil price rises helped to provoke recessions in the mid-1970s and early 1980s.

One way to illustrate the counter-cyclicality of the oil stocks is to measure the Dow Jones industrial average against the three big oil companies in it.

Since 1970, in quarters when the oil stocks outperformed the index, the Dow has dropped an average of 1 percent. But when the oil shares lag, the Dow averages a gain of 5.5 percent.

As oil prices rise this time, the country has been skating even closer to a recession than was thought. The government went through its economic figures of the past three years, and now says that growth was much lower than previously reported.

In the second quarter, it said, there were fewer final sales of goods and services than in the first. All of the meager 1.2 percent growth in the economy was due to rising inventories.

That second-quarter guess is subject to revision, and in the past the revisions have often been huge.

Monday's sell-off in the stock market reflected both economic fears and the fragility of the stock market itself.

But those who blamed the fall on index arbitrage trading may want to reconsider. That trading normally hits the big stocks — the ones that dominate the stock indexes — the hardest.

But small stocks were smacked as well last week. The Dow was down 62.62 points, or 2.1 percent, to 2,898.52 last week.

YEN: *OPEC Pact to Boost Dollar*

(Continued from page 1)

service of economic growth is no longer as affordable as it was before OPEC convened in Geneva.

But OPEC's announcement Saturday coincides with other new factors at work in the markets. The most important of these is the fading hope for a meaningful deficit-reduction agreement in Washington, to which Mr. Greenspan recently tied lower interest rates.

OPEC's decision will also have a strong impact on Japan, where oil accounts for just under 30 percent of the consumer-price index. The nation's rate of oil consumption has risen at a rate of between 3 and 7 percent a year for the past four years. Japan now depends on OPEC for more than 80 percent of its oil. Of that, almost 90 percent comes from Mideast producers.

But the obvious threat OPEC now poses to Japanese prices is only a third factor on top of two others now encouraging economists to take a pessimistic view toward inflation in Japan and the yen's near-term prospects.

Net foreign direct investment has been approaching the size of Japan's current-account surplus for several years. This year economists expect the current-account surplus to fall to $47 billion and overseas investments to rise to $54 billion — pushing the core balance into a deficit of $7 billion. This trend will reverse once investments abroad peak, economists believe, but for the time being it spells weakness for the yen.

The other concern in Japan is money supply. Several central bank officials, including Governor Yasushi Mieno, began suggesting last week that economic growth may eventually have to be sacrificed to get money-supply growth below the current levels of 12 percent to 14 percent.

What appears to have prompted the stance were reports that the velocity of money in circulation — the speed with which it changes hands — is at its slowest since it was first measured in 1968. This indicates that funds tied up in savings accounts, if they were withdrawn and circulated, would represent an almost frightening source of new price pressure.

"We want to lower the rate of money-supply expansion even at the cost of lower economic growth, if that is the only way to do it," a senior Bank of Japan official said late last week. "Assuming growth at its current level, our target is to get it below 10 percent."

It is against this background that OPEC and the dollar strength it threatens are of concern to economists who follow the yen. Paul A. Summerville of Jardine Fleming (Securities) Ltd. is one of several who expect the dollar to approach 160 yen within the next six weeks, virtually forcing another increase in Tokyo's discount rate, the rate it charges on loans to commercial banks.

"The yen is already in a period of structural weakness," Mr. Summerville said. "The oil issue comes on top of that. The stage is set for another interest rate rise by the end of September, and I'm looking for one-half to three-quarters of 1 percent."

That would change the yen-dollar equation yet again.

Euromarts At a Glance

Eurobond Yields

	July 25	July 18
U.S. $, 8 yrs & over	9.26	9.27
U.S. $, 5 to 7 yrs	9.21	9.18
U.S. $, less than 5 yrs	8.84	8.87
Pounds sterling, less than 5 yrs	12.48	12.46
French francs, less than 5 yrs	10.29	10.32
Ind. Am. less than 5 yrs	11.96	12.00
Danish krones, less than 5 yrs	10.23	10.17
ECU, 8 yrs & over	9.86	9.84
ECU, 5 to 7 yrs	9.91	9.94
Can. $, less than 5 yrs	12.65	12.72
Aus. $, less than 5 yrs	14.86	15.06
N.Z. $, less than 5 yrs	13.34	13.25
Yen, 5 to 7 yrs	7.26	7.25
Yen, less than 5 yrs	7.10	7.05

Source: Luxembourg Stock Exchange.

Weekly Sales

July 26

Primary Market

	Cedel		Euroclear	
	$	Mnet	$	Mnet
Straights	195.68	658.40	1,980.40	520.90
Convert.	—	29.00	—	132.70
FRNs	44.09	71.70	290.00	858.00
ECP	4,543.10	965.00	8,955.20	2,435.20
Total	4,782.70	1,664.10	11,225.60	3,946.80

Secondary Market

	Cedel		Euroclear	
	$	Mnet	$	Mnet
Straights	5,268.10	11,605.20	13,324.00	n.a.
Convert.	288.00	681.50	1,014.70	744.40
FRNs	3,668.00	1,206.50	3,644.50	3,053.00
ECP	2,898.80	1,882.20	3,277.70	2,744.50
Total	12,369.50	15,385.20	21,122.90	—

Source: Euroclear, Cedel.

Libor Rates

July 27

	1-month	3-month	6-month
U.S. $	8 1/16	8 1/16	8⅛
Deutsche mark	8¼	8¼	8 7/16
Pound sterling	15 1/16	15 1/16	14 15/16
French franc	9 13/16	9⅝	9 15/16
ECU	10	10 3/16	10⅛
Yen	7⅝	7 13/16	7⅞

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Consumer Rates

July 27

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.37 %
Money Market Funds	
Donoghue's 7-Day Average	7.59 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.95 %
Home Mortgage, FHLB average	9.98 %

Source : New York Times Service, UPI.

U.S. Treasury Bonds

July 27

Maturity	Close Bid	Ask	Yield	Wk.-ago yield
31.07.92	100	100 2/32	8.00	8.07
15.05.93	101 6/32	101 8/32	8.13	8.16
30.06.94	101	101 2/32	8.19	8.24
15.08.95	101	101 2/32	8.24	8.28
15.07.97	100 21/32	100 23/32	8.38	8.43
15.05.00	102 31/32	103	8.42	8.48
15.02.06	107 4/32	107 10/32	8.53	8.63
15.05.20	102 28/32	102 30/32	8.48	8.54

Source: Salomon Inc.

BUSINESS BRIEFS

Hanson May Earn Fee on PowerGen

LONDON (Reuters) — Hanson PLC, which has expressed an interest in acquiring the smaller of Britain's two national electricity utilities, PowerGen PLC, may get a government fee of £15 million ($27 million) for placing the opening bid, the Sunday Times of London reported.

The newspaper quoted the energey secretary, John Wakeham, as confirming the possibility.

A Labor Party trade and industry spokesman, Gordon Brown, has called for an investigation into what he described as privatization sleaze involving PowerGen and the sale of Rover PLC to British Aerospace PLC two years ago.

Bush to Allow Semi-Gas Sale to Japan

DALLAS (NYT) — President George Bush said he would not block the sale of Semi-Gas Systems Inc., a major supplier of gas distribution and control systems to U.S. chip makers, to a Japanese bidder even though Semi-Gas has a central role in the U.S. semiconductor industry's effort to overtake the Japanese.

Under terms first disclosed in April, Nippon Sanso intends to acquire Semi-Gas Systems for $23 million from Hercules Inc., which acquired Semi-Gas three years ago for an investment of about $5 million.

Officials at Sematech, the government-industry alliance to bolster the U.S. chip-making technology, renewed threats to cancel its contract with Semi-Gas after the president's decision was announced on Friday.

Ford and Cummins Strengthen Ties

NEW YORK (NYT) — Ford Motor Co. and Cummins Engine Co. have agreed to several provisions intended to cement their new relationship, according to documents filed with the Securities and Exchange Commission.

Earlier this month, Ford agreed to let Cummins supply the diesel engines for its medium-duty trucks.

Ford became one of Cummins' largest investors when it received a 10.8 percent stake and a board seat in exchange for a $100 million cash infusion.

Wine Industry Assails Proposed Tax

WASHINGTON (LAT) — A White House proposal to raise the federal tax on wine from 3 cents to 76 cents a bottle would be devastating to the wine industry and reduce state and local revenues, the National Wine Coalition said.

The industry group said Saturday that the tax would result in a loss of 94,000 jobs, a total of $1.5 billion in wages and a drop of $362 million in state and local tax revenues.

I.G. Farben Attracts New Investment

LONDON (AP) - I.G. Farben, the chemical combine that was a major component of the Nazi war effort, is attracting Western investment with the possibility that it could reclaim huge industrial holdings in East Germany, according to a published report.

The report said London merchant banks S.G. Warburg and Morgan Grenfell and the Fidelity pensions group have bought Farben shares. West German brokers believe London firms now own 40 percent.

German Futures Contracts Delayed

FRANKFURT (Reuters) — West Germany's futures and options exchange, Deutsche Terminbörse, confirmed it would delay the launch of two new futures contracts originally planned for Sept. 10.

A spokesman said Friday that no new date could be given for the launch of Bund and DAX index futures contracts, as software problems still had to be resolved.

WALL STREET REVIEW

Figures as of close of trading Friday, July 27.

NYSE Most Actives

Vol.	High	Low	Last	Chng.
Citicorp	142621	21¼	20	20⅜ — ⅜
PhilMor s	134932	50	46¼	46⅜ —3½
MidMkt s	126467	32¾	31⅛	31⅜ —1⅜
Chase	104242	20½	19½	19⅝
McDonl	97376	33½	31⅜	31¾ —1¼
GenEl	92477	73⅜	69⅝	72 —2
DowCh s	90228	59⅛	57	52⅜ —4⅝
Exxon	88034	50¾	47¾	49¼ + ⅜
IBM	82639	117⅜	116⅝	111⅜ —5¼
SalMaM	81779	50¾	45	46½ —7½
GTE s	80273	28¾	27½	28½ — ⅛
Unifrst s	74025	25⅜	25⅜	25⅜ —1⅜
Upjohn	73746	44¼	39⅝	42⅜ — ½
AT&T	71864	37⅝	36¼	36¼ —1⅜
Boeing s	70800	58	53½	59¼ +1¼
UCorp	68645	25⅜	18⅝	20 +1
Compaq s	67281	59¼	55	55¾ —4½
Mobil	64977	67	64½	64½ — ¾
Telrat	64569	28⅝	27⅜	28 + ⅛
FstMaA s	64208	48	37⅝	38¾ —1⅜
Lilly s	60750	84⅜	79	80½ —4⅜
CmpAsc	59688	9¾	8¼	9¼ + ¼
Texaco	58054	63	58¾	61½ + ⅞
FordM	54648	45¼	45⅜	47⅛ — ⅛
BrMySq	53464	65	61	63¾ — ⅞

AMEX Most Actives

Vol.	High	Low	Last	Chng.
ENSCO	37293	4½	4	4½ + ⅛
Amdhl	22454	17⅝	15	15¼ —1⅝
EchoBy	18580	13¾	11⅛	13⅝ + 1½
BAT In	17822	11⅜	10⅞	10⅝ — ⅜
SNK 93wt	16462	9½	8⅛	9½ +1⅛
WangB	13959	4⅛	3⅜	3⅝ — ⅛
Nobarg	13755	6¾	6	6⅜ + ⅛
WDigitl	13592	13	11¼	12⅝ + ⅛
Diasonc	12272	3⅛	3	3⅛ + ⅛
DowC rt	12131	9⅜	9	9¼ + ⅛
FruitL	11702	12¾	11¾	12 — ⅜
A-mo sc	11457	25⅛	22	23⅜ —1⅝
Nichin s	10881	17½	16⅜	17½ — ⅛
MasmC	10257	6¾	5½	6⅜ + ⅜
Dk Nk wt	9673	10½	9⅜	10⅜ +1⅛
UCorp	9644	10⅜	9	9⅞ — ⅛
PW Nk pwt	8908	3⅜	2⅜	3⅜ + ⅛
Alza	8327	47½	44	46⅜ + ⅜
BT Nk wt	8297	23⅜	19½	22¾ +3⅛
ContAir	8299	5¾	5⅛	5¾ — ⅛
A-offz sc	8185	12	10¾	11 — ⅜
SNK 93wt	7899	10½	9⅛	10⅛ +1¼
NY Tim	7534	23⅜	21½	21⅝ —1⅜
Hillhav n	6998	1⅞	1½	1¾
Summa	6499	3⅜	2⅜	3 — ⅛

NYSE Sales

	Sales Vol.
Total for week	858,590,800
Week ago	834,780,000
Year ago	998,098,000
Two years ago	819,800,000
Jan 1 to date	22,214,495,000
1989 to date	34,285,564,000
1988 to date	35,423,220,000

AMEX Sales

	Sales Vol.
Total for week	68,780,000
Week ago	62,840,000
Year ago	83,700,000
Jan 1 to date	2,603,710,000
1989 to date	1,442,500,000

NYSE Diaries

	This Wk	Last Wk
Advanced	632	738
Declined	1277	1208
Unchanged	282	278
Total Issues	2191	2216
New Highs	62	178
New Lows	229	150

AMEX Diaries

	This Wk	Last Wk
Advanced	293	335
Declined	512	459
Unchanged	182	212
Total Issues	987	1006
New Highs	35	53
New Lows	86	72

CVS DIAMOND® BASE CONSUMER SELLING PRICE — W.E. 27/1/90

CARBON VAPOUR SET DIAMOND® IN 18KT. HALLMARKED GOLD.	TOTAL DIAMOND WEIGHT-CARAT	US$ PER PIECE
CLEAN, H COLOR, EXCELLENT MAKE 1 POINTERS, DIAMOND SETTINGS.	1.00	2,560
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	0.50	1,280
	0.25	640

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NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 27.

A

			Sales in 100s	High	Low	Close	Net Ch'ge
A&W Bd			3445	33¼	31	32¾	
ABS	.32	4.0	36	8¼	8	8	— ¼
ACC Cp	.16	1.4	2953	12	10½	11¾	
ADC			2241	20	18	19⅝	— ⅛
ADT			13425	31¼	30½	31	— ¼
AEL			106	5	4½	4⅝	— ½
AEP s			77	14½	13⅜	14	— ¾
ASK			2838	10⅛	8⅝	10	+ ⅜
AST			61999	24¼	18	23⅝	+1⅛
AamRt	.10	1.1	83	9¾	9¼	9¼	—1
AbingB	.08l		58	4	3¼	3¼	— ¼
AbeLInc			13	6½	6¼	6¼	— ¼
Abram	.20	4.6	53	4⅝	4	4⅜	— ⅛
Acadin			2952	1		1⅛	— ⅛
Accel	.20b	2.9	469	7⅛	6¾	7	— ⅛
Aclaim			17855	11⅝	9⅞	10½	— ⅝
Acelo	.14b	1.2	21	12	11	12	+ ½
ACMT			6	12	12	12	
Acmt a			3	10	10	10	
AcmeSt			3316	16½	15¼	15¾	— ½
ActARt			614	5¼	4½	4½	— ½
ActnSv	.16l		237	2½	2	2¼	+ ¼
vlActAut			246	⅝	½	½	— ⅛
Acxiom			728	20	18½	19½	— ¾
AdacLb	.04l		4086	1½	1	1¼	— ¼
Adage			82	1⅛	1⅛	⅝	
Adapt			9465	21⅛	18⅝	19¾	— ⅜
Adingt s			4393	19¾	18⅝	19½	— ¼
AdiaSv	.16	.8	2591	21¼	19⅝	21¼	+ ¼
AdobeS	.24	.7	16489	37⅝	33¾	36⅝	+ ¼
Adtec			964	3½	3	3⅛	+ ¼
AdvCir s			3801	10	9	9¼	— ¼
AdvRes			347	9¾	9	9¼	— ½
AdvMag			241	13¼	12¾	13	— ¾
AdMktSv			681	5¼	4½	4½	— ¾
AdvPolv			1179	5⅝	4⅝	5½	— ⅛
AdvSem			317	5	4¾	5	+ ¼
AdvTel			5271	18¼	17½	18	— ¼
Advanta	.10	.8	2702	12½	11¾	12	+ ⅜
AdvoSy			16546	12¼	10⅞	11¼	—1½
AealsG	.20e	2.0	51	10	9⅞	9⅞	+ ⅛
Aequitrn			922	3⅛	2¾	3	— ⅛
Aegon	2.46e	3.4	231	72¾	71⅝	71⅝	— ⅜
AerSysl			50	⅞			— ⅛
Aerovx			2170	4¼	3⅝	4	— ⅛
AffBcCp	.16l		377	2⅝	2½	2⅝	— ⅛
AffBsh			1259	13⅛	12½	12⅝	— ½
AgncyR	.68t	4.9	12441	15½	13⅝	14	— ¼
Agnico g	.20	2.8	1472	7⅝	6⅞	7⅛	— ⅛
Agourn			283	9¼	8⅝	9⅛	+ ¼
Alcorp			3709	12	11¼	11⅛	— ⅛
AirMd			500	5¼	5	5	— ½
AirWisc			1414	9⅝	8⅝	9⅝	+ ¼
Airtran	.16	2.6	612	6¼	5⅝	6⅛	
Akorn	.07	4.2	90	1⅝	1⅝	1⅝	
Alco	1.79e	5.7	1938	32	31⅝	31⅝	— ¼
Alafen	1.10	8.8	231	13	12	12½	+ ¼
(Continued on next page)

White-Collar Crackdown By Pretoria

Reuters

JOHANNESBURG — South Africa hopes to set up an elite investigative force early next year to crack down on soaring "white collar" crime.

Law enforcement and monetary officials say legislation is being drawn up to create a special bureau within the police and judicial system to do the job.

"It is hoped that this proposed legislation will be approved by parliament early next year," said the Reserve Bank governor, Chris Stals.

South African authorities have followed with keen interest the creation in recent years of a Special Fraud Office in Britain and a similar unit in Norway.

Major-General Nollie Hulme, head of the national police department's Commercial Crime Unit, said the new body would "concentrate on the more serious, with emphasis on serious economic crime".

He did not elaborate, but people within the financial community believe this meant offenses ranging from foreign exchange scams to other types of fraud, perhaps including large-scale counterfeiting.

Police said in mid-July they had arrested 16 people and seized forged currency totaling 700,000 rand ($268,000) after a two-week sweep in Johannesburg. They said the notes were of excellent quality, produced by professional forgers.

The commercial branch of the police is currently investigating 3,500 fraud cases involving four billion rand, Mr. Hulme said.

"Ten to 15 years ago, if we had one case of a million rand in a year, or two or three of these cases, it was a lot," he said. "It was a big case. Now we're sitting with 40 million, 60 million, 100 million, 300 million."

Indian Exchanges Are Booming

Agence France-Presse

BOMBAY — Indian stock markets are having an unprecedented bull run, spurred by a series of government measures encouraging the corporate sector.

In less than two months, the Bombay Stock Exchange index has soared by more than 20 percent, pushing the aggregate market capitalization of Indian companies by nearly $8 billion to some $41 billion.

The daily turnover of about $80 million on the country's main stock exchange in this western port city is nearly double that of Singapore's stock exchange, brokers say.

Last Wednesday, when prices slumped on bourses in New York, London, Frankfurt and Paris, the national index gained 25 points to 519.57. On Friday, it rose a further 8 points, closing at 530.87.

Some 70 percent of all Indian stocks are traded on the Bombay exchange. Its national index indicates the stock price movement on all of India's 16 stock exchanges.

"It is a proud movement for Indian investors," said S.S. Nadkarni, chairman of the Industrial Development Bank of India. "The spurt in prices is an indicator of the investors' buoyant mood."

A combination of factors has been responsible for the two-month bull rally, triggered in early June by Prime Minister Vishwanath Pratap Singh's announcement of the country's new industrial policy.

The new policy has freed foreign investment and eased some bureaucratic controls over large and small Indian business houses.

Brokers and businessmen praised the policy as a bold move because it came despite resistance from members of Mr. Singh's centrist People's Party and communists supporting his minority government.

The announcement was also made as large numbers of Indian companies in the private sector were readying themselves to announce a second year of unusually large profits.

India's economy grew at an average of 6 percent a year over in the last five years. In the latest financial year, which ended March 31, industrial production surged 9 percent. So far this year, industrial growth has jumped 8.4 percent.

Strong results at the biggest companies traded on India's stock exchanges have added to the buoyant mood, as have two recent policy shifts.

Mr. Singh declared early this month that the private sector would be allowed to generate electricity and build roads, two fields that so far have been the preserve of the public sector. And last week, the government opened the area of steelmaking to private-sector companies.

Shakeout Foreseen for French Brokerages

Reuters

PARIS — Many experts in the financial industry fear that Paris may next face the big layoffs have hit finance houses in London and New York in recent years.

"The specter of redundancy is starting to haunt the Paris financial markets," said one broker.

The high cost of introducing new technology and falling revenue after the abolition of fixed commissions last year have helped to make France's money industry nervous.

Industry analysts believe the 5,900 staff currently employed by Paris's 44 brokerage houses could be cut by between 20 and 40 percent by the end of the year. They estimate that no more than half a dozen brokers are making a profit.

Paris grew nervous after stockbrokers Tuffier-Ravier-Py filed for bankruptcy in mid-July.

Then last Wednesday, Meunier-de La Fournière & Cie., the one of Paris's biggest bond traders, drew attention to itself when its top executive, Nicolas Meunier, said he had met with Société des Bourses Françaises, the stock-exchange executive body, to discuss "general problems."

Although Mr. Meunier said the problems were not as serious as those experienced by some of the company's rivals, sources at the brokerage said daily business had fallen by 80 to 90 percent.

Mr. Meunier said that he was by no means the only brokerage executive to visit SBF's chairman, Regis Rousselle, in search of reassurance.

On Thursday, the chairman of Meeschaert-Rousselle, one of France's largest brokers, said the firm expected to post a loss for the first six months of this year after losing 78.5 million francs in 1989.

Most analysts have predicted that Paris's six independent firms, which have refused to link with big banks and insurers as most other brokers did, will feel the pinch first.

"As competition intensifies, Tuffier will surely not be the last to go to the wall," the brokerage Fauchier-Magnan Durant des Aulnois said in its weekly newsletter.

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Shares ended lower on the Amsterdam Stock Exchange last week, with turnover also down.

The CBS all share index closed the week at 198.10, down from 202.50 the previous Friday.

Chemicals stocks AKZO and DSM were lower after Imperial Chemical Industries, a bellwether stock on the London market, announced a 21 percent fall in interim profits.

KLM also fell after announcing its margins were under pressure.

Total volume came to 6.0 billion guilder, of which 2.9 billion was equities, down from total volume of 8.7 billion guilder the previous week with 3.3 billion in equities.

The Kempen & Co. brokerage said it expects the market to recover somewhat on thin turnover this week.

Hong Kong

Share prices on the local stock market dropped sharply, with the Hang Seng Index losing 54.63 points, or 1.5 percent, to close at 3,485.80 on Friday.

Average daily turnover, however, rose to 2.36 billion dollars against the previous week's 2.28 billion dollars.

Late overseas institional buying on Monday drove the key barometer to a record post-1987 collapse high of 3,559.89. The index's all-time high before the October 1987 stock market drop was 3,949.73.

Dealers said Friday they expect the market to return above the 3,500-mark barrier this week, despite the seesawing trend.

Frankfurt

Depression hit the Frankfurt market last week, wiping out the previous week's optimistic mood as infighting in the East German coalition government pulled the market down.

The trend was accentuated by losses in London and Tokyo and a fall on the bond market, caused by fears the East German coalition government might collapse.

The DAX index ended the week down 18.23 points, at 1,919.81, while the Commerzbank index sank 24.6 points, to 2,351.8.

Trading volume on West Germany's eight stock markets was also down, at 32.89 billion Deutsche marks, from 50.73 billion the previous week.

London

The main features of a poor week were a hit from Wall Street's slump on Monday, and a disastrous interim statement Thursday from Imperial Chemical Industries, the London market's main bellwether stock.

After struggling to recover from a 40 point Wall Street-induced loss, the Financial Times 100-share index was undercut another 20 points by ICI's bad figures. It ended the week thoroughly depressed, down 70 points at 2,330.1.

The FT-30 share index closed down 56 points on the week at 1,842.1.

Shares in ICI itself, whose 21 percent decline in half-year profits surprised even the most pessimistic forecasters, shed over 10 percent during the week, knocking about £800 million off its market capitalization.

Milan

The market shed more than 2 percent last week, with early pessimism enhanced by the unexpected suspension of Ferruzzi group stocks on Thursday, ahead of Friday's announcement of the merger of Montedison and Ferruzzi Agricola.

The MIB index ended the week at 1,089 points, down 2.20 percent on the previous week's 1,065.

Apart from the Ferruzzi suspension, the market was hit by sharp falls on overseas markets and a series of negative factors, including the threat of a government crisis with the resignation of five Christian Democrat ministers Thursday, although this was quickly resolved with their swift replacement.

Paris

Share prices fell in Paris last week, dashing hopes that the previous week's good showing heralded a good summer for the market.

The CAC-40 index ended the week at 1,965.79 points, down 64.81 on the previous week.

Wall Street's losses depressed the Paris Bourse.

Things got off to a quiet start Monday, but in late afternoon a sharply lower opening on Wall Street saw the Paris market plunge 3 percent in a matter of minutes, managing to recover only slightly by the close to finish the day down 2 percent.

The depression continued through the week, as there was no sign that Finance Minister Pierre Bérégovoy's comments that interest rates could soon be lowered were about to be translated into action.

Oil stocks benefited from tension between Iraq and Kuwait on Tuesday and Wednesday, but joined the general downward trend after news that the two sides were to hold talks.

Singapore

The Singapore stock market tracked Wall Street and the Tokyo market last week, amid caution sparked by the volatile performances of the two overseas markets.

Selected bargain-hunting alternated with profit-taking.

The Straits Times industrial index climbed 2.94 points to close at 1,565.49 while the Stock Exchange of Singapore's all-Singapore index improved 1.62 points to end at 444.65.

The week's turnover fell from the previous week's 475.8 million shares, worth 1.02 billion Singapore dollars to 322.8 million units valued at 756.5 million dollars.

Tokyo

Share prices on the Tokyo Stock Exchange plunged in response to fears of higher interest rates, with the Nikkei Stock Average suffering a huge weekly loss od 1,558.04 points, or 4.8 percent.

The key market indicator closed out the week Friday at 30,863.48, going below the 31,000-level for the first time since May 10. It had lost 222.85 points the previous week.

The Tokyo Stock Price Index of all stocks listed on the market's first section also fell 114.17 points, to 2,249.26, following a moderate 6.4-point loss the week before.

With investors retreating amid worry about the future course of interest rates, trading was lethargic with average daily turnover falling from the previous week's 613 million shares to 358 million.

The value of stocks traded averaged 614.7 billion yen a day, down from the previous week's 1.06 trillion yen.

Zurich

The Zurich stock market fell almost 4 percent last week, largely due to disillusionment over the likelihood of an easing of interest rates in the near future.

Foreign investors stayed away, and in thin turnover, the Swiss performance index ended the week down 41.3 points at 1,175.8.

The Crédit Suisse indicator fell 20.8 to 656.1, and the Swiss Bank Corp. index shed 23.0 to 667.1 points.

Particularly hard-hit were banking and insurance stocks, which had done well on the optimism over an easing of rates in recent weeks.

In the absence of new factors to comfort the market, dealers were expecting a further fall in the coming week.

GM's Smith Set to Retire

The Associated Press

DETROIT — Roger B. Smith, an accountant who drove General Motors Corp. over some of its roughest roads, retires Tuesday as chairman, ending a 9½-year tenure criticized for focusing too much on money and too little on cars.

"I think the corporation is in super shape," Mr. Smith said. "We made more money last year than any corporation in the world except Royal Dutch Shell.

"I don't think that's too bad a target."

GM reported $4.2 billion in profit for 1989, down 13 percent from 1988, the best year in company history. In 1981, Mr. Smith's first year as chairman, GM made $333.4 million.

In 1981, GM's share of the U.S. car market stood at about 46 percent. At the end of last year it was 35.1 percent.

COMPANY RESULTS

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Britain

LLoyds Bank

1st Half	1990	1989
Pretax Net	408.00	93.00
Per Share	0.18	—

United States

Aetna Life & Casualty

2nd Quar.	1990	1989
Revenue	4,810.	5,030.
Net Inc.	203.80	149.60
Per Share	1.82	1.52
1st Half	1990	1989
Revenue	9,590.	9,600.
Net Inc.	383.60	343.20
Per Share	3.43	3.04

Bank of Boston

2nd Quar.	1990	1989
Net Inc.	4.00	98.00
Per Share	—	1.34
1st Half	1990	1989
Net Inc.	47.00	187.00
Per Share	0.56	2.57

Boeing

2nd Quar.	1990	1989
Revenue	6,978.	5,070.
Net Inc.	387.00	195.00
Per Share	1.12	0.57
1st Half	1990	1989
Revenue	13,400.	9,870.
Net Inc.	689.00	356.00
Per Share	1.99	1.03

1989 nets restated for 3-for-2 split.

Brunswick

2nd Quar.	1990	1989
Revenue	678.40	771.90
Net Inc.	19.50	20.50
Per Share	0.22	0.23
1st Half	1990	1989
Revenue	1,360.	1,560.
Net Inc.	34.20	37.70
Per Share	0.39	0.43

1989 quarter net includes charge of $4.1 million.

Coast Savings Fin'l

2nd Quar.	1990	1989
Net Inc.	(a)28.70	5.79
Per Share	—	0.47
1st Half	1990	1989
Net Inc.	(a)22.90	11.80
Per Share	—	0.83

a: loss.

Engelhard

2nd Quar.	1990	1989
Revenue	751.30	603.10
Net Inc.	18.20	15.10
Per Share	0.41	0.34
1st Half	1990	1989
Revenue	1,410.	1,190.
Net Inc.	32.90	29.50
Per Share	0.74	0.66

Hershey Foods

2nd Quar.	1990	1989
Revenue	535.86	485.47
Net Inc.	65.84	25.30
Per Share	0.73	0.28
1st Half	1990	1989
Revenue	1,220.	1,060.
Net Inc.	112.93	64.77
Per Share	1.25	0.72

1990 nets include gain of $35.3 million.

Masco

2nd Quar.	1990	1989
Revenue	825.00	791.00
Net Inc.	61.70	74.80
Per Share	0.40	0.50
1st Half	1990	1989
Revenue	1,640.	1,580.
Net Inc.	131.50	152.20
Per Share	0.85	0.98

Norfolk Southern

2nd Quar.	1990	1989
Revenue	1,180.	1,170.
Net Inc.	165.90	173.70
Per Share	0.95	0.99
1st Half	1990	1989
Revenue	2,320.	2,290.
Net Inc.	296.10	307.50
Per Share	1.79	1.74

1989 quarter net includes gain of $13.6 million.

Pitney Bowes

2nd Quar.	1990	1989
Revenue	774.20	693.60
Net Inc.	60.40	61.80
Per Share	0.76	0.78
1st Half	1990	1989
Revenue	1,530.	1,350.
Net Inc.	120.10	181.30
Per Share	1.51	2.29

1989 six-month net includes gain of $66 million.

Premark Int'l

2nd Quar.	1990	1989
Revenue	668.30	637.90
Net Inc.	6.80	23.70
Per Share	0.22	0.68

1st Half	1990	1989
Revenue	1,290.	1,240.
Net Inc.	20.80	46.10
Per Share	0.61	1.32

1990 quarter net includes charge of $25.3 million.

Quantum Chemical

2nd Quar.	1990	1989
Revenue	586.00	672.50
Oper Net	7.10	46.00
Oper Share	0.27	1.80
1st Half	1990	1989
Revenue	1,270.	1,490.
Oper Net	12.90	117.40
Oper Share	0.49	4.59

Shell Oil

2nd Quar.	1990	1989
Revenue	5,170.	5,860.
Net Inc.	161.00	440.00
1st Half	1990	1989
Revenue	10,830.	11,040.
Net Inc.	363.00	801.80

1990 nets include charge of $76 million.

USAir Group

2nd Quar.	1990	1989
Revenue	1,710.	1,720.
Net Inc.	(a)75.10	100.70
Per Share	—	2.29

1st Half	1990	1989
Revenue	3,250.	3,220.
Net Inc.	(a)113.1	116.20
Per Share	—	2.65

a: loss.

Walt Disney

3rd Quar.	1990	1989
Revenue	1,540.	1,170.
Net Inc.	238.40	193.30
Per Share	1.75	1.40
9 Months	1990	1989
Revenue	4,720.	3,250.
Net Inc.	591.30	490.60
Per Share	4.29	3.56

Wetterau

1st Quar.	1991	1990
Revenue	1,400.	1,300.
Net Inc.	12.40	11.10
Per Share	0.54	0.47

Whirlpool

2nd Quar.	1990	1989
Revenue	1,710.	1,640.
Net Inc.	37.00	50.00
Per Share	0.54	0.72
1st Half	1990	1989
Revenue	3,340.	3,220.
Net Inc.	66.00	91.00
Per Share	0.96	1.31

Quarter per share results include loss of 9 cents vs profit of 20 cents.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 27.

(Continued)

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
Trstbk			3	2¼	2¼	2¼	
Trstmk	1.00	5.3	103	20	18¾	18¾	
Tseng			3701	5⅞	4¼	5⅝	+ ⅜
Tubscp			10451	11½	9¼	11½	+1¼
TuckDr			162	7¾	6¾	7¾	+ ½
Tudor			30	7¾	7	7½	— ¼
TuesM			257	10¼	9¼	9¾	+ ¼
TuscPl	.36e	1.0	135	27	26½	26½	
20Cnln	.64	2.4	1482	25¼	23¾	24½	— ¾
TwinSt			883	10½	10	10	
TycoTy			2254	18	17¼	17½	— ⅝
TycoTy wt			1307	7¼	6⅝	7⅛	+ ½
Tyson	.04	.1	7056	32¼	30	30¼	—2
U							
UNR			2789	4	3¾	3⅞	— ⅛
UNR wt			19	⅞	⅞	⅞	
UNSL	.60	5.9	916	10¼	10¼	10¼	— ½
USA Bc			661	5	4½	4½	— ½
USMX			529	1⅞	1½	1⅝	+ ⅛
UST Cp	.63	6.3	2202	11¼	9¾	10	—1½
UTL			1117	3⅝	3¼	3¼	
UniMrt	.18	1.9	318	9⅞	9½	9½	
UnicoA			1028	5⅜	5⅛	5⅜	+ ⅛
Unifrce	.12	1.2	57	10¼	10	10	— ¼
Unigen			1106	1⅞	1⅝	1⅞	
Unigen wt			187	½	⅜	½	
Unilab			2370	4⅞	3⅝	4¼	— ½
Unimed			407	2¾	2½	2½	— ⅛
UnBnk	1.32a	5.8	472	23¼	22⅝	22⅝	— ⅛
UAEn A			2734	15	13¾	14	— ¾
UAEn B			1327	16	14½	15	— ½
UBCol	.20	.9	3026	21¾	19	21¾	+1⅝
UBWV	.72	6.0	203	12	11½	12	
UCarBk	.40	4.7	219	8¾	8¼	8½	— ⅛
UCitGs	.92	6.2	675	15	14¾	14¾	— ⅛
UnCoast			1027	4⅛	3⅞	3⅞	
UnCosF	.40	3.9	58	15¼	14½	15¼	+ ¾
UnFdBc	.36	3.5	320	10½	10¼	10¼	— ¼
UFinSC			118	9	8¾	9	+ ¼
UFireC	1.20	3.5	112	34¾	34	34¼	+ ½
UGame			2418	7¾	7⅛	7⅜	— ¼
UHltCr			11826	19½	16¼	18¼	+1
UMoBn	.80a	2.9	270	28¾	28	28	— ½
UnNMx	.25e	2.2	143	11¼	10¾	11¼	
UtdNwsp	.77e	6.2	4	12½	12½	12½	— ¼
USvBk	.42	4.2	245	10¼	10	10	— ¼
USBkVa			48	1⅜	¾	¾	— ⅜
US Bcs	1.00	3.6	8674	29⅛	27¼	27¾	—1½
USBPa			72	13¾	13¼	13¼	— ¼
US Bc pf	2.12	9.9	61	21¾	21	21½	
US Enr			523	9⅞	9⅛	9⅜	— ⅜
US Facl			340	3⅞	3⅜	3⅜	— ½
US Gold			4042	[illegible]	[illegible]	[illegible]	+ [illegible]
US HltC	.36	1.9	10922	19⅝	18⅝	19¼	— ¼
US Infc			7	5	4½	4½	

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, July 27.

Option & price	Calls Aug	Calls Sep	Puts Aug	Puts Sep
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

r—Not traded. s—None offered. o—Old.

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, July 27.

Option & price	Calls Aug	Calls Sep	Puts Aug	Puts Sep
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

r—Not traded. s—None offered. o—Old.

BIG CROSSWORD
IN THE IHT EVERY SATURDAY.
THE FAMED NEW YORK TIMES
SUNDAY CROSSWORD — ENOUGH
TO KEEP YOU BUSY ALL WEEK

MONDAY SPORTS

Player Wins Seniors British Open As Europe Plans Old-Timers Tour

Compiled by Our Staff From Dispatches

TURNBERRY, Scotland — Gary Player played through strong winds and driving rain Sunday to win the Seniors British Open by one shot despite double-bogeying the final hole and dropping five shots on the last six holes.

Player managed only a five-over par 75 in the final round. But he still had the second-best score on a day when organizers moved tees forward yet still saw scores skyrocket.

Deane Beman, the commissioner of the U.S. PGA Tour, missed an eight-foot (2.4-meter) putt on the final hole that would have forced a playoff with Player. And Arnold Palmer almost holed a chip shot on the 18th that would have forced a playoff.

"These are about as tough conditions as you can play in," said Player, who had an even-par 280 for the tournament. "The links courses are elevated and when the wind blows there, you can really feel it."

Player, 54, collected $45,000 for his second victory in the seniors tournament. The South African also has won the regular British Open three times.

Beman and Brian Waites of Britain tied for second. Palmer was fourth at 282.

By the time the tournament is played again next year, it may be part of a European seniors circuit, similar to a seniors circuit on the American tour.

Ken Schofield, the European tour's executive director, said Sunday that following a meeting with 46 players, his group had set up a seniors division and a tour could begin next year. *(AP, Reuters)*

■ PGA Protest Supported

After the tournament ended, Player was asked about the protest developing in the United States over the fact that the upcoming PGA Championship will be played at a racially exclusive country club in Birmingham, Alabama. Player, who has been the target of anti-apartheid protests throughout his career, told The Associated Press that he strongly supports people who may demonstrate at the PGA.

"If I was in those people's shoes, I would also demonstrate," said Player, who is not participating in the tournament.

Civil rights groups are discussing staging protests at the all-white Shoal Creek club. Public controversy erupted last month when the club founder, Hall Thompson, said there were no black members because "that's just not done in Birmingham."

Player said Thompson's comments "have hurt a lot of people." He added, "In this world today we don't have a choice, we've just got to look at each other and talk to each other."

■ Augusta Considers Change

In Augusta, Georgia, site of the Masters golf tournament, the head of the all-white Augusta National Golf Club said he hopes the club will invite its first black member this year, The Associated Press reported.

"That is our hope, yes," said Hord Hardin, chairman of country club. "We haven't completed the procedures we normally follow yet, but it certainly is our desire that we will do it."

■ McAllister Repeats

Stephen McAllister of Scotland won his second PGA European Tour title by shooting even-par 70 on Sunday to win the Dutch Open by four strokes, The Associated Press reported from Zandvoort, the Netherlands.

McAllister, whose total for the tournament was 274, had won the Atlantic Open in February.

Roger Chapman of Britain shot 71 to finish second, with a 278 total, a stroke ahead of José María Olazábal of Spain. Olazábal closed with a 71 for a total of one-under 279.

McAllister had gone into Sunday's final round with the lead but a challenge from Olazábal had been expected. On Saturday, Olazábal had shot 65 to surge from 20th to third place.

"I couldn't hole a putt," Olazábal said. "I only missed two greens and I finish one over par. It is criminal."

■ Irwin in Lead

Hale Irwin, trying for his third victory in a month, shot five-under par 67 Saturday to maintain a one-stoke lead after three rounds of the Buick Open, The Associated Press reported from Grand Blanc, Michigan.

Irwin, who won the U.S. Open and the Buick Classic within a span of six days late in June, was at 17-under 199 after a bogey-free round of 67 on Saturday. Billy Andrade was one shot back after a round of 66 and Fuzzy Zoeller was at 201, also with a 66.

■ Jones Leads in LPGA

Rosie Jones overcame a bogey on the 16th hole to shoot one-under par 70 and take a two-stroke lead over Cathy Johnston after the third round of the LPGA Championship, The Associated Press reported from Bethesda, Maryland, just outside of Washington.

Jones parred the first 11 holes, then had birdies on Nos. 12 and 15 before bogeying No. 16, a 195-yard par-three, on Saturday. She parred the final two holes to finish at four-under 209.



Hans Deryk/The Associated Press

Jakob Hlasek was exhausted, then ousted by Jay Berger in the Player's Limited semifinals.

It's U.S. and Soviets In Federation Final

The Associated Press

NORCROSS, Georgia — Zina Garrison and Jennifer Capriati each won in straight sets as the United States advanced to the final for the 19th time in the 28th Federation Cup.

The defending champion and top-seeded Americans beat No. 3 seed Austria, 3-0, on Saturday. The U.S. team was to meet the fourth-seeded Soviet Union, a 2-1 winner over second-seeded Spain in the other semifinal match, in Sunday's final.

The Soviets took advantage of an injury to Spain's No. 1 player, Arantxa Sánchez-Vicario, who retired in the second set of her singles match with a twisted left ankle and was unable to return for doubles.

"She should be able to play again in a few days," the Spanish team manager, Maria José Pascual, said after Sánchez-Vicario was taken to a hospital for X-rays.

Garrison, ranked fifth in the world, defeated Judith Wiesner, 6-3, 6-4, Capriati, the 14-year-old Floridian, beat Barbara Paulus, 6-3, 6-4, for her fourth consecutive Federation Cup victory.

The U.S. team has won the Federation Cup, the women's equivalent of the Davis Cup, 14 times.

In the other semifinal, Spain's Conchita Martínez won the No. 2 singles match, 6-3, 7-5, over Leila Meskhi. With Sánchez-Vicario out for doubles, Soviets Zvereva and Larisa Savchenko needed only 58 minutes to beat Martínez and Pilar Pérez, 6-2, 6-3.

■ Chang and Berger Advance

Two 18-year-old Americans, Michael Chang and Pete Sampras, battled for three hours in the midday heat at the Player's Limited International before Chang scored a 3-6, 7-6 (7-5), 7-5 semifinal victory, The Associated Press reported from Toronto.

Chang, winner of the 1989 French Open, was to face Jay Berger of the United States in Sunday's final. Berger ousted Jakob Hlasek of Switzerland in the other semifinal, 3-6, 6-2, 6-2.

Chang labored through leg cramps to defeat top-seeded Andre Agassi in the quarterfinals on Friday.

SCOREBOARD

BASEBALL

Major League Standings

(Through Saturday)

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Toronto	53	47	.530	—
Boston	52	48	.520	1
Baltimore	49	51	.490	4
Detroit	49	53	.480	5
Cleveland	47	52	.475	5½
Milwaukee	44	53	.454	7½
New York	36	61	.371	15½
West Division				
Oakland	63	38	.624	—
Chicago	58	37	.611	2
Seattle	53	48	.525	10
Texas	50	49	.505	12
California	48	53	.475	15
Minnesota	48	53	.475	15
Kansas City	46	53	.465	16

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
New York	57	40	.588	—
Pittsburgh	56	41	.577	1
Montreal	54	47	.535	5
Philadelphia	49	48	.505	8
Chicago	46	55	.455	13
St. Louis	45	56	.446	14
West Division				
Cincinnati	59	39	.602	—
San Francisco	53	46	.535	6½
Los Angeles	50	48	.510	9
San Diego	43	55	.439	16
Houston	42	59	.416	18½
Atlanta	39	59	.398	20

Friday's Line Scores

AMERICAN LEAGUE

New York 000 000 120—3 6 0
Cleveland 000 000 000—0 3 0
Hawkins and Geren; Swindell, Olin (8) and Alomar. W—Hawkins, 2-8. L—Swindell, 6-6. HRs—New York, Balboni (11), Kelly (6).

(2nd Game)

New York 020 200 000—4 7 1
Cleveland 010 000 000—1 7 1
J.D. Robinson, Mills (8), Righetti (9) and Dorsett, Geren (5); M. Walker, C. Ward (5), Orosco (8) and Skinner, Alomar (7). W—J.D. Robinson, 3-6. L—M. Walker, 0-2. Sv—Righetti (21).

Texas 000 000 000—0 5 0
Toronto 001 000 00x—1 2 0
Hough, Rogers (8) and Petralli; Stieb, D. Ward (8), Henke (9) and Myers. W—Stieb, 13-2. L—Hough, 7-7. Sv—Henke (21). HR—Toronto, G. Hill (9).

Boston 000 100 000—1 4 0
Detroit 000 000 000—0 5 3
Bolton, Kiecker (8), Murphy (9) and Pena; Morris and Heath. W—Bolton, 4-1. L—Morris, 8-13. Sv—Murphy (5).

Oakland 000 010 201—4 8 1
Minnesota 100 140 01x—7 10 0
Moore, R. Harris (5) and Quirk; R. Smith, Leach (7) and Harper. W—R. Smith, 5-8. L—Moore, 9-9. HRs—Oakland, McGwire (26), Jose (7). Minnesota, Bush (3).

Milwaukee 101 010 001—4 10 1
Chicago 310 120 00x—7 11 0
R. Robinson, Mirabella (4), Edens (5) and Surhoff; McDowell, B. Jones (7), Thigpen (9) and Fisk. W—McDowell, 6-5. L—R. Robinson, 4-2. HRs—Chicago, Fisk (9), Pasqua (11).

Baltimore 220 130 001—9 14 0
Kansas City 100 001 000—2 9 2
McDonald, Ballard (7), Schilling (9) and Tettleton; S. Davis, M. Stottlemyre (4), Encarnacion (7) and Macfarlane. W—McDonald, 2-0. L—S. Davis, 4-7. HR—Baltimore, Horn (8).

California 000 000 010—1 4 1
Seattle 402 101 00x—8 13 1
Langston, Fetters (3), Cl. Young (7) and Parrish, Tingley (8); Hanson, Ge. Harris (9) and Valle, Sinatra (8). W—Hanson, 11-8. L—Langston, 4-13. HR—Seattle, E. Martinez (9).

NATIONAL LEAGUE

Chicago 000 000 000 2—2 7 1
Montreal 000 000 000 0—0 2 0
(10 innings)
G. Maddux, Long (10) and Girardi; Gardner, Sampen (10), Frey (10) and Goff. W—G. Maddux, 7-9. L—Sampen, 8-3. Sv—Long (3).

St. Louis 001 000 000—1 3 0
New York 514 000 00x—10 14 1
B. Smith, DiPino (3), Terry (6) and Zeile; Viola, Brown (9) and Sasser. W—Viola, 14-5. L—B. Smith, 7-8.

Philadelphia 200 101 010—5 12 1
Pittsburgh 200 000 010—3 6 1
DeJesus, Cook (2), Akerfelds (7), McDowell (9), Boever (9) and Daulton; R. Reed, Kipper (6), Belinda (8), Patterson (8) and LaValliere, Slaught (7). W—Cook, 7-2. L—R. Reed, 2-2. Sv—Boever (9).

Houston 000 000 200—2 10 1
San Diego 001 203 00x—6 8 0
Gullickson, Schatzeder (6) and Biggio; Benes, G. Harris (7) and Lampkin. W—Benes, 7-7. L—Gullickson, 6-8. HRs—Houston, G. Wilson (8). San Diego, J. Carter (15), Ja. Clark (16).

Cincinnati 300 000 000—3 7 3
San Francisco 101 100 001—4 7 0
Scudder, Myers (9) and Oliver; Robinson and G. Carter. W—Robinson, 7-1. L—Scudder, 2-4. HRs—Cincinnati, O'Neill (12). San Francisco, Leach (2), Ro. Thompson (9).

Atlanta 020 000 101 000—4 6 2
Los Angeles 002 010 100 001—5 14 1
(12 innings)
Glavine, Sisk (5), Castillo (5), Henry (7), Mercker (9), Luecken (12) and Olson, Kremers (10); Wells, Hartley (2), Crews (4), Gott (6), J. Howell (8), Searage (11) and Dempsey, Scioscia (11). W—Searage, 1-0. L—Luecken, 1-3. HRs—Atlanta, Murphy (16), Justice (8).

Saturday's Line Scores

AMERICAN LEAGUE

Milwaukee 000 111 010—4 6 0
Chicago 201 000 002—5 9 1
Higuera, Navarro (8), Plesac (9) and Surhoff; M. Perez, Patterson (6), Pall (8), Radinsky (8) and Karkovice. W—Radinsky, 6-0. L—Plesac, 2-4. HRs—Milwaukee, Sheffield (7), Brock (4). Chicago, Sosa (9).

Baltimore 300 040 000—7 12 2
Kansas City 004 010 50x—10 11 1
Harnisch, Price (6), Williamson (7) and Melvin, Tettleton (8); M. Davis, Crawford (5), Montgomery (8) and Palacios, Macfarlane (8). W—Crawford, 4-2. L—Williamson, 8-2. Sv—Montgomery (14). HRs—Baltimore, Hulett (2), Anderson (2). Kansas City, Brett (7), Stillwell (2).

(2nd Game)

Baltimore 000 010 011—3 7 0
Kansas City 000 100 000—1 4 0
D. Johnson, Olson (8) and Tettleton; Filson, Farr (6), and MacFarlane. W—D. Johnson, 10-6. L—Farr, 8-5. Sv—Olson (22). HR—Baltimore, Worthington (8).

Boston 512 001 000—9 11 2
Detroit 310 10(10) 20x—17 14 1
Boddicker, Kiecker (2), Lamp (6), Ja. Reed (6) and Marzano; Tanana, C. Parker (1), Gibson (6) and Heath. W—Gibson, 3-2. L—Lamp, 3-3. HRs—Boston, Ja. Reed (4). Detroit, Sheets (7).

Texas 000 000 020 000 1—3 13 2
Toronto 000 000 002 000 0—2 7 1
(13 innings)
K. Brown, Rogers (9), Arnsberg (12), Ja. Barfield (13) and Ja. Russell; Key, Acker (8), Candelaria (8), D. Ward (9), Wills (11) and Myers, Borders (9). W—Arnsberg, 4-1. L—Wills, 5-3. Sv—Ja. Barfield. HRs—Texas, Baines (10). Toronto, McGriff (23).

Oakland 010 020 001—4 6 0
Minnesota 000 010 000—1 6 0
Stewart and Steinbach; Guthrie, Berenguer (9) and Harper. W—Stewart, 13-8. L—Guthrie, 3-3.

(2nd Game)

Oakland 000 021 100—4 11 0
Minnesota 305 100 00x—9 13 0
Welch, Nelson (3), Klink (6) and Hassey; Erickson, Drummond (7), Aguilera (9) and Ortiz. W—Erickson 2-2. L—Welch, 16-4. HRs—Oakland, McGwire (27), R. Henderson (19).

New York 000 001 000—1 4 2
Cleveland 001 000 10x—2 7 1
Cary, Mills (7) and Geren; Candiotti, D. Jones (9) and Alomar. W—Candiotti, 11-6. L—Cary, 4-7. Sv—D. Jones (27). HRs—New York, Azocar (3). Cleveland, Alomar (5).

California 000 100 000—1 9 0
Seattle 000 002 00x—2 3 0
McCaskill, Cl. Young (8) and Parrish; Holman, Comstock (7), M. Jackson (8), Schooler (9) and Valle. W—Holman, 10-7. L—McCaskill, 7-7. Sv—Schooler (28).

NATIONAL LEAGUE

St. Louis 000 000 100—1 3 0
New York 000 000 000—0 4 0
Magrane, Le. Smith (8) and Pagnozzi; Cone, Franco (9) and Mercado. W—Magrane, 6-12. L—Cone, 7-5. Sv—Le. Smith (16). HR—St. Louis, McGee (2).

Cincinnati 000 000 200 00—2 6 1
San Francisco 100 000 001 01—3 9 0
(11 innings)
Browning, Dibble (9), Myers (11) and Oliver; Burkett, Thurmond (7), Hammaker (9), Bedrosian (10) and G. Carter. W—Bedrosian, 5-5. L—Myers, 3-3. HR—San Francisco, Anderson (1).

Philadelphia 000 300 001—4 8 0
Pittsburgh 000 100 110—3 7 0
Ruffin, Parrett (7), Boever (9) and Nieto, Daulton (9); Smiley, Landrum (8) and LaValliere, Slaught (8). W—Parrett, 4-9. L—Landrum, 3-2. Sv—Boever (10). HRs—Philadelphia, V. Hayes (10). C. Hayes (9). Pittsburgh, Bonilla (21), VanSlyke (10).

Chicago 000 115 003—10 14 0
Montreal 120 004 000—7 14 2
Bielecki, S. Wilson (2), Lancaster (5), Assenmacher (6), Pico (6), Long (8) and Girardi; De. Martinez, Mohorcic (6), Frey (7), Burke (8) and Fitzgerald. W—Long, 4-0. L—Burke, 1-2. HR—Montreal, Raines (3).

Atlanta 100 300 300—7 12 0
Los Angeles 100 003 004—8 13 0
Smoltz, Castillo (9), Grant (9) and Olson; Valenzuela, Gott (7), Hartley (8) and Scioscia. W—Hartley, 2-1. L—Grant, 1-2. HRs—Los Angeles, Murray (16), Scioscia (9).

Houston 000 010 400—5 13 0
San Diego 000 010 200—3 6 1
Scott, Agosto (8), Andersen (8) and Biggio; Rasmussen, Schiraldi (7), Rodriguez (8) and Lampkin. W—Scott, 8-10. L—Rasmussen, 7-9. Sv—Andersen (4). HRs—San Diego, Carter (16), Lampkin (1).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	53	31	0	.631	—
Chunichi	41	41	1	.500	11
Taiyo	39	39	2	.500	11
Hiroshima	37	40	1	.481	12½
Yakult	36	44	0	.450	15
Hanshin	35	47	0	.427	17

Pacific League

	W	L	T	Pct.	GB
Seibu	51	22	4	.698	—
Orix	42	33	3	.558	10
Kintetsu	42	35	1	.545	11
Nippon Ham	39	37	1	.513	13½
Lotte	26	42	2	.386	22½
Daiei	21	52	3	.296	30

Saturday's Games
Yomiuri 3, Hanshin 2, 11 innings
Taiyo 4, Yakult 1
Chunichi 2, Hiroshima 1
Seibu 6, Orix 6, tie, 11 innings
Nippon Ham 18, Kintetsu 5
Lotte 3, Daiei 2

Sunday's Games
Yomiuri 4, Hanshin 1
Yakult 1, Taiyo 0
Chunichi 5, Hiroshima 2
Seibu 7, Orix 4
Daiei 4, Lotte 3
Kintetsu 6, Nippon Ham 5, 11 innings

GAMES

Goodwill Results

FRIDAY

BASEBALL
Canada 6, Puerto Rico 4
Japan 11, Mexico 4
Cuba 11, Taiwan 1, 7 innings

BASKETBALL
Classification Round
Puerto Rico 75, Spain 74
Australia 106, Italy 78
Semifinals
Yugoslavia 84, Soviet Union 78
United States 112, Brazil 95

ICE HOCKEY
Sweden 5, Czechoslovakia 4
Canada 6, Finland 5

TEAM HANDBALL
Gold Medal
Soviet Union 29, Yugoslavia 27
Bronze Medal
Spain 24, United States 19

WATER POLO
Yugoslavia 16, Italy 9
Spain 10, United States 7
Cuba 10, Hungary 8
Soviet Union 8, Australia 7

WOMEN'S TEAM GYMNASTICS
Vault: 1, Soviet Union, 29.911 points. 2, United States, 29.549. 3, Spain, 29.187.
Uneven Bar: 1, United States, 29.749. 2, China, 29.737. 3, Soviet Union, 29.437.
Beam: 1, Soviet Union, 29.724. 2, United States, 29.525. 3, China, 29.412.
Floor: 1, Soviet Union, 29.687. 2, United States, 29.561. 3, Spain, 29.412.
Final standings: 1, Soviet Union (Svetlana Boginskaya, 39.049; Tatyana Lysenko, 39.549; Natalya Kalnina, 39.586; Oksana Chusovitina, 38.349), 118.759. 2, United States (Kim Zmeskal, 39.461; Elizabeth Okino, 39.524; Sandy Woolsey, 38.674; Amy Scheer, 38.912), 118.484. 3, China (Li Li, 38.750; Wenning Zhang, 39.225; Xia Zhang, 38.674; Wenling Wang, 38.349), 117.573.

RHYTHMIC GYMNASTICS
Final standings: 1, Oksana Skaldina, Soviet Union, 39.55. 2, Mila Marinova, Bulgaria, 39.30. 3, Oksana Kostina, Soviet Union, 39.25.

SATURDAY

BASEBALL
Mexico 9, Soviet Union 1
Japan 7, United States 6, 14 innings

ICE HOCKEY
United States 7, Switzerland 1

WATER POLO
Classification Round
United States 4, Italy 3
Cuba 12, Australia 9
Semifinal Round
Yugoslavia 11, Spain 5
Soviet Union 6, Hungary 4

CYCLING
1,000-meter time trial: 1, Alexander Kirichenko, Soviet Union, 1 minute, 4.772 seconds. 2, Soren Lausberg, East Germany, 1:06.365. 3, Erin Hartwell, Indianapolis, 1:06.693.
4km team pursuit: 1, Soviet Union (Evgeni Anoshkin, Valeri Baturo, Alexander Gonchenkov and Oleg Klevstov), 4:19.48. 2, East Germany (Dirk Meier, Volker Gebauer, Ralf Kaldewitz and Michael Koelling), 4:26.42. 3, Australia (Brett Aitken, Grant Fraser, Mark Kingsland and Stephen McGlede), 4:27.05.

WRESTLING
Team event: 1, United States (Cory Baze, Stillwater, Zeke Jones, Joe Melchiore, John Smith, Nate Carr, Rob Koll, Kenny Monday, Jim Scherr, Bill Scherr, Bruce Baumgartner). 2, Soviet Union (Gnel Medzhlumyan, Sergey Zambalov, Ruslan Karaev, Stephan Sarkisyan, Arsen Fadzaev, Adlan Varaev, Elamadi Jabrailov, Makharbek Khadartsev, Andrei Golovko, David Gobedishvili). 3, South Korea (Sun Hak Kim, Jong Oh Kim, Sang Kyu Kim, Jang Soon Park, Young Jin Park, Dong Woo Lee, Hyo Chul Oh, Tae Woo Kim, Byeung Eun Cho).
48kg: 1, Cory Baze, Stillwater, U.S. 2, Gnel Medzhlumyan, Soviet Union. 3, Ilyas Sukruoglu, Turkey.
52kg: 1, Valentin Jordanov, Bulgaria. 2, Sergey Zambalov, Soviet Union. 3, Zeke Jones, U.S.
57kg: 1, Khaltmaagiin Battuul, Mongolia. 2, Remzi Musaoglu, Turkey. 3, Ruslan Karaev, Soviet Union.
62kg: 1, John Smith, U.S. 2, Stephan Sarkisyan, Soviet Union. 3, Takumi Adachi, Japan.
68kg: 1, Nate Carr, U.S. 2, Jang Soon Park, South Korea. 3, Kasei Akaishi, Japan.
74kg: 1, Young Jin Park, South Korea. 2, Rahmat Sifiyadi, Bulgaria. 3, Adlan Varaev, Soviet Union.
82kg: 1, Elamadi Jabrailov, Soviet Union. 2, Sebahattin Ozturk, Turkey. 3, Royce Alger, U.S.
90kg: 1, Makharbek Khadartsev, Soviet Union. 2, Jim Scherr, U.S. 3, Greg Edgelow, Canada.
100kg: 1, Petyo Makedonov, Bulgaria. 2, Andrei Golovko, Soviet Union. 3, Kirk Trost, U.S.
130kg: 1, David Gobedishvili, Soviet Union. 2, Bruce Baumgartner, U.S. 3, Kiril Barbutov, Bulgaria.

Medal Table
(Through Saturday, 122 medal events)

	G	S	B	Tot
Soviet Union	45	40	33	118
United States	45	42	28	115
East Germany	10	7	21	38
Bulgaria	3	5	2	10
West Germany	3	2	3	8
China	1	4	3	8
Cuba	3	2	2	7
Netherlands	1	1	4	6
Australia	0	3	3	6
Spain	2	2	1	5

TRANSACTIONS

BASEBALL
American League

CALIFORNIA—Recalled Devon White, outfielder, and Kent Anderson, infielder, from Edmonton, Pacific Coast League. Optioned Scott Bailes, pitcher, and Jack Howell, third baseman, to Edmonton.

CLEVELAND—Recalled Jeff Shaw, pitcher, from Colorado Springs, Pacific Coast League.

DETROIT—Signed Walt Terrell, pitcher. Optioned Mike Schwabe, pitcher, to Toledo, International League.

KANSAS CITY—Put Luis Aquino, pitcher, on 21-day disabled list. Bought contract of Luis Encarnacion from Omaha, American Association.

MINNESOTA—Traded John Candelaria, pitcher, to Toronto for Nelson Liriano, second baseman, and Pedro Munoz, outfielder. Sent Fred Manrique, infielder, outright to Portland, Pacific Coast League. Recalled Chip Hale, infielder, from Portland.

NEW YORK—Put Don Mattingly, first baseman, on 21-day disabled list. Recalled Brian Dorsett, catcher, from Columbus, International League. Moved Claudell Washington, outfielder, from 15- to 30-day disabled list.

OAKLAND—Activated Terry Steinbach, catcher, from 21-day disabled list. Optioned Troy Afenir, catcher, to Tacoma, Pacific Coast League. Activated Carney Lansford, third baseman, from 15-day disabled list. Optioned Scott Hemond, third baseman, to Tacoma.

National League

HOUSTON—Put Javier Ortiz, outfielder, on 15-day disabled list. Recalled Mark Davidson, outfielder, from Tuscon, Pacific Coast League. Activated Rafael Ramirez, infielder, from 15-day disabled list. Waived Alex Trevino, catcher, to give him unconditional release.

NEW YORK—Activated Mike Marshall, first baseman, from 15-day disabled list. Traded Marshall to Boston for Greg Hansell, pitcher; Ender Perozo, outfielder, and a player to be named later.

BASKETBALL
National Basketball Association

ATLANTA—Released Ray Baranco, Lee Campbell, Tony Harris, and Branislav Prelevich, guards, and Scott Bailey, Gary Maloncon, and Frantz Volcy, forwards.

CHARLOTTE—Signed Johnny Newman, forward, to four-year contract, after New York did not match Hornets' offer.

PHILADELPHIA—Released David Blackwell and Anthony Pullard, forward-centers; Luke Jackson, forward; and Troy Truvillion, guard.

UTAH—Signed Delaney Rudd, guard, to three-year contract.

FOOTBALL
National Football League

ATLANTA—Signed Oliver Barnett, defensive tackle. Waived Alex Higdon and Joe Meerton, tight ends; Victor Floyd, running back; John Norwood, safety; and Paul Singer, quarterback.

BUFFALO—Signed James Williams, cornerback.

CHICAGO—Agreed to terms with Jimbo Covert, offensive tackle, on two-year contract.

CLEVELAND—Cody Risien, right tackle, retired.

GOLF

Final scores Sunday from the Dutch Open played on the par-70 course at Kennemer:

Stephen McAllister, Britain,	69-67-68-70—274
Roger Chapman, Britain,	73-68-66-71—278
Jose-Maria Olazabal, Spain,	73-70-65-71—279
Colin Montgomerie, Britain,	71-68-73-68—280
Danny Mijovic, Canada,	71-70-71-68—280
Peter Baker, Britain,	69-73-71-68—281
James Spence, Britain,	71-72-69-69—281
Peter McWhinney, Australia,	76-69-67-69—281
Vicente Fernandez, Argentina,	72-69-69-71—281
Martin Poxon, Britain,	71-69-68-73—281

CYCLING

World Cup

Results Sunday from the 238-km Wincanton classic race which ended in Brighton, England:

1. Gianni Bugno, Italy, 6 hours, 9 minutes and 51 seconds; 2. Sean Kelly, Ireland, 13 seconds behind; 3. Rudy Dhaenens, Belgium; 4. Claudio Chiappucci, Italy; 5. Marc Sergeant, Belgium; 6. Michel Dernies, Belgium; 7. Sammy Moreels, Belgium; 8. Federico Echave, Spain; 9. Dirk de Wolf, Belgium; 10. Marino Lejarreta, Spain, all same time.

World Cup Standings
(After six races)

1. Bugno 86 points; 2. Dhaenens 80; 3. Moreno Argentin, Italy, 62; 4. John Talen, Netherlands, 39; 5. Adri van der Poel, Netherlands, Luc Roosen, Belgium, 38; 7. Jean Claude Leclercq, France, 37; 8. Gilles Delion, France, 36; 9. Johan Museeuw, Belgium, 33; 10. Maurizio Fondriest, Italy, 32.

RUGBY

Rugby's Big Eight

Last 10 tests among the eight

	W	D	L	Tries
1. New Zealand	10	0	0	43
2. England	7	1	2	22
3. Scotland	6	1	3	20
4. Australia	4	0	6	25
5. France	4	0	6	19
6. Argentina	2	1	7	6
7. Ireland	2	0	8	12
8. Wales	1	0	9	9

SATURDAY'S RESULT

Argentina 12, England 25

First half: Penalty goal by English fullback Simon Hodgkinson. Penalty goal by Argentine wing Hernan Vidou. Penalty goal by Hodgkinson. Try by English No. 8 Dean Ryan. Penalty goals by Vidou, Hodgkinson and Vidou.

Second half: Try by English wing Chris Oti, converted by Hodgkinson. Penalty goals by Hodgkinson, Vidou and Hodgkinson.

Next Tests (Aug. 4)
Auckland: New Zealand-Australia
Buenos Aires: Argentina-England

TENNIS

Federation Cup

SEMIFINALS
Saturday, in Norcross, Georgia
United States 3, Austria 0

Zina Garrison, U.S., def. Judith Wiesner, Austria, 6-3, 6-4; Jennifer Capriati, U.S., def. Barbara Paulus, Austria, 6-3, 6-4; Gigi Fernandez and Patty Fendick, U.S., def. Judith Wiesner and Barbara Paulus, Austria, 6-1, 7-6 (7-5).

Soviet Union 2, Spain 1

Natalia Zvereva, Soviet Union, def. Arantxa Sanchez-Vicario, Spain, 6-4, 2-0, ret; Conchita Martinez, Spain, def. Leila Meskhi, Soviet Union, 6-3, 7-5; Natalia Zvereva and Larissa Savchenko, Soviet Union, def. Conchita Martinez and Pilar Perez, Spain, 6-2, 6-3.

MEN'S TOURNAMENTS
In Hilversum, Netherlands
Semifinals

Eduardo Masso, Belgium, def. Emilio Sanchez, Spain, 6-4, 7-5; Francisco Clavet, Spain, def. Omar Camporese, Italy, 4-6, 7-6, 7-6.

Final
Clavet def. Masso, 3-6, 6-4, 6-2, 6-0.

In Toronto
Semifinals

Michael Chang (7), U.S., def. Pete Sampras (5), U.S., 3-6, 7-6 (7-5), 7-5; Jay Berger (4), U.S., def. Jakob Hlasek, Switzerland, 3-6, 6-2, 6-2.

Final
Berger vs. Chang.

AUTO RACING

German Grand Prix

Results Sunday after a total of 45 laps on the 6.8-kilometer (4.22-mile) circuit in Hockenheim, with driver, country, time and top speed:

1. Ayrton Senna, Brazil, McLaren-Honda, 1 hour, 20 minutes, 47.164 seconds, 227.167 kmph (141.155 mph); 2. Alessandro Nannini, Italy, Benetton-Ford, 6.52 seconds behind; 3. Gerhard Berger, Austria, McLaren-Honda 8.553; 4. Alain Prost, France, Ferrari, 45.27; 5. Riccardo Patrese, Italy, Williams-Renault, 48.828; 6. Thierry Boutsen, Belgium, Williams-Renault, 1:21.491; 7. Ivan Capelli, Italy, Leyton-Judd, 1 lap behind; 8. Derek Warwick, Britain, Lotus-Lamborghini, 1 lap; 9. Alex Caffi, Italy, Arrows-Ford, 1 lap; 10. Nicola Larini, Italy, Ligier-Ford, 2 laps.

Overall Standings

1. Ayrton Senna, Brazil, 48 points; 2. Alain Prost, France, 44; 3. Gerhard Berger, Austria, 29; 4. Thierry Boutsen, Belgium, 18 and Nelson Piquet, Brazil, 18; 6. Jean Alesi, France, Alessandro Nannini, Italy, and Nigel Mansell, Britain, 13; 9. Riccardo Patrese, Italy, 12; 10. Ivan Capelli, Italy, 6.

SOCCER

FRENCH FIRST DIVISION
Auxerre 0, Monaco 1
Caen 2, Bordeaux 0
Lille 1, Nantes 1
Lyon 1, Cannes 0
Montpellier 2, Sochaux 0
Nancy 0, Brest 0
Nice 1, Toulouse 1
Rennes 2, Paris St Germain 1
Toulon 3, St Etienne 0
Metz 0, Olympique Marseille 2

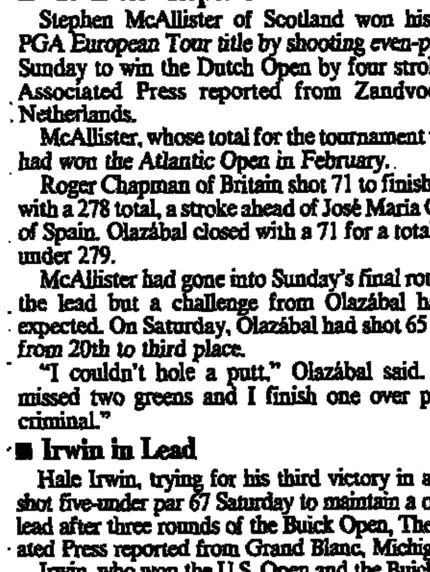
Standings: Olympique Marseille, Monaco 4; Caen, Rennes, Lyon 3; Toulon, Montpellier Lille, Paris St. Germain, Cannes, Brest Nantes, Toulouse 2; Nice, Auxerre, Metz, Sochaux, Bordeaux, Saint-Etienne 1.

INTERNATIONAL FRIENDLY
East Germany 2, United States 1

CRICKET

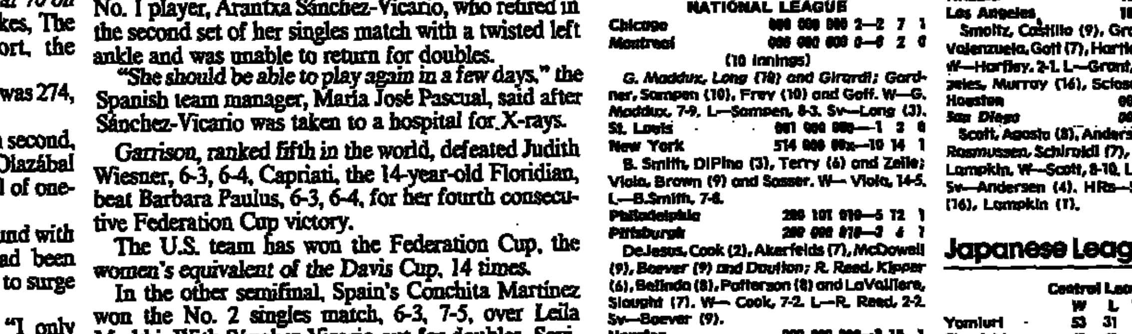
England vs. India
Test 1, Day 3, Saturday
1st Innings: England 653-4 (declared); India 376-6.

DENNIS THE MENACE

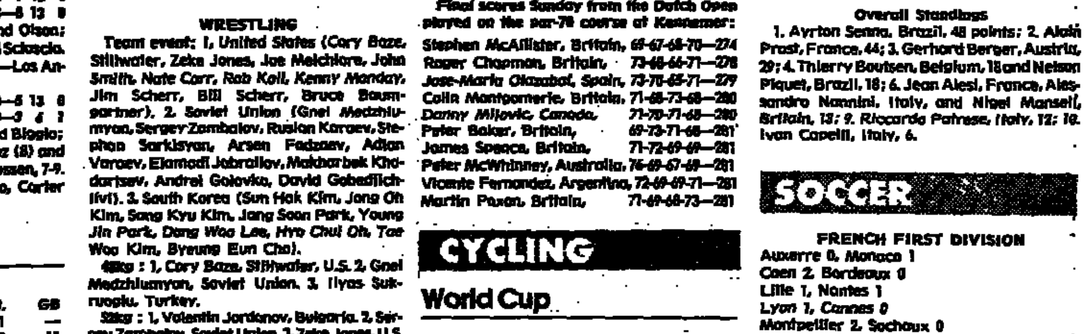


"SEE? THE COLD WATER COMES FROM UP NORTH AND THE HOT WATER FROM DOWN SOUTH."

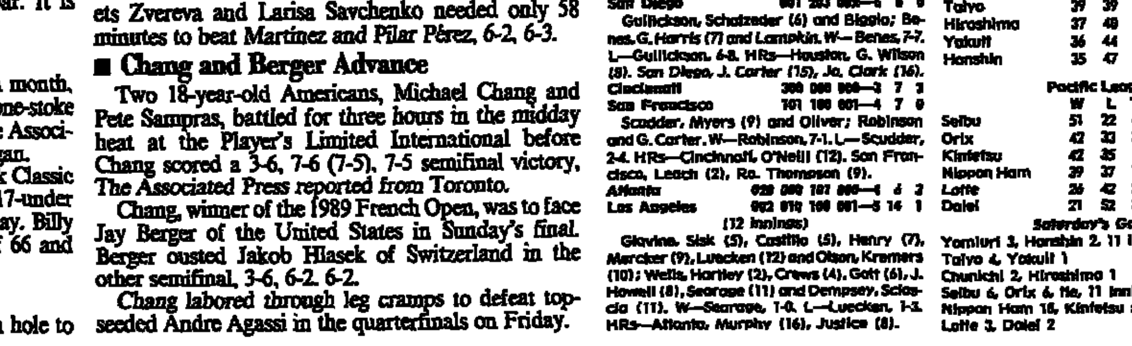
PEANUTS



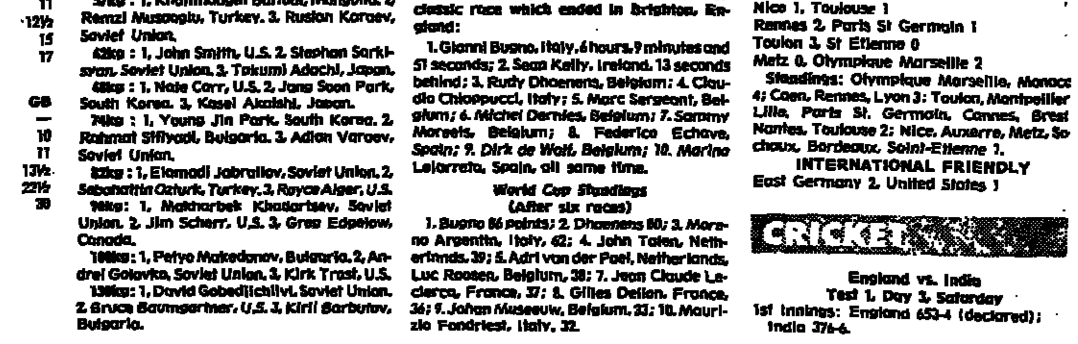
ANDY CAPP



BLONDIE



WIZARD of ID



JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

KLULS

SAGYS

HOCCUR

LAMTEL

SIGN FOR THE BULL



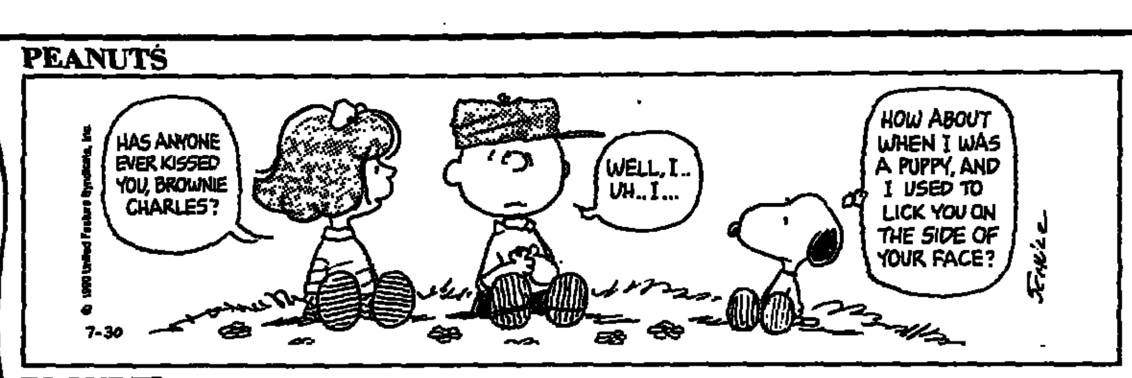
Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: " ○○○○○○○ "

(Answers tomorrow)

Saturday's Jumbles: NOBLE JUDGE PUZZLE OSSIFY
Answer: Where you usually are when the alarm makes that sound—IN A SOUND SLEEP

BEETLE BAILEY



REX MORGAN



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DOONESBURY



GARFIELD



JIM DAVIS 7-30

MONDAY SPORTS

Senna's Record Time In German Prix Gives Him Formula One Lead

Compiled by Our Staff From Dispatches

HOCKENHEIM, West Germany — Ayrton Senna of Brazil passed Alessandro Nannini of Italy with 11 laps to go Sunday and pulled away to win the West German Grand Prix for the third year in a row.

The victory put Senna in first place in the Formula One season standings with 48 points. Alain Prost of France fell to second place, with 44 points, after finishing fourth in the race.

Senna, driving a McLaren-Honda, had the pole position but gave up the lead after a tire change on the 18th lap of the 45-lap race. Nannini held off Senna for 15 laps, but Senna finally passed Nannini's Benetoon-Ford on the long straightaway on the 4.22-mile (6.8 kilometers) circuit and won by 6.52 seconds.

Nannini was second. Senna's teammate, Gerhard Berger of Austria, was third.

Prost, in a Ferrari, had won the last three races of the Grand Prix season but was never in contention here. He ended up more than 40 seconds behind.

Riccardo Patrese of Italy finished fifth, with Thierry Boutsen of Belgium sixth.

Senna took the lead at the start and had built a 1.5 second advantage over Berger after 15 laps when the leaders started changing tires. However Nannini, sixth after 14 laps, suddenly found himself ahead after 18 laps as he tried to make it without a tire change.

Senna came out of the pits in second place and was never more than two seconds back as he waited his time.

"After I came out of the pits, he just passed me," Senna said. "Then I had some difficulty with the pressure so I decided to back off a bit."

The 1988 world champion then made his decisive move on the 34th lap.

"I knew he didn't stop for tires so he would have some trouble with the grip later," Senna said. "So on the straight I got a good tow and overtook him."

"I held him off for more than 10 laps," Nannini said. "But he was a half-second faster in the straight and he was able to pass me. But I held second and that's O.K."

Senna's time was a record 1 hour, 20 minutes, 47.1634 seconds, an average of 141.155 mph. The previous best was 1:21:25.091 by Nelson Piquet of Brazil in a Williams-Honda turbo in 1987.

Only 11 cars were still running at the end of the race as heat and humidity took a toll on the engines.

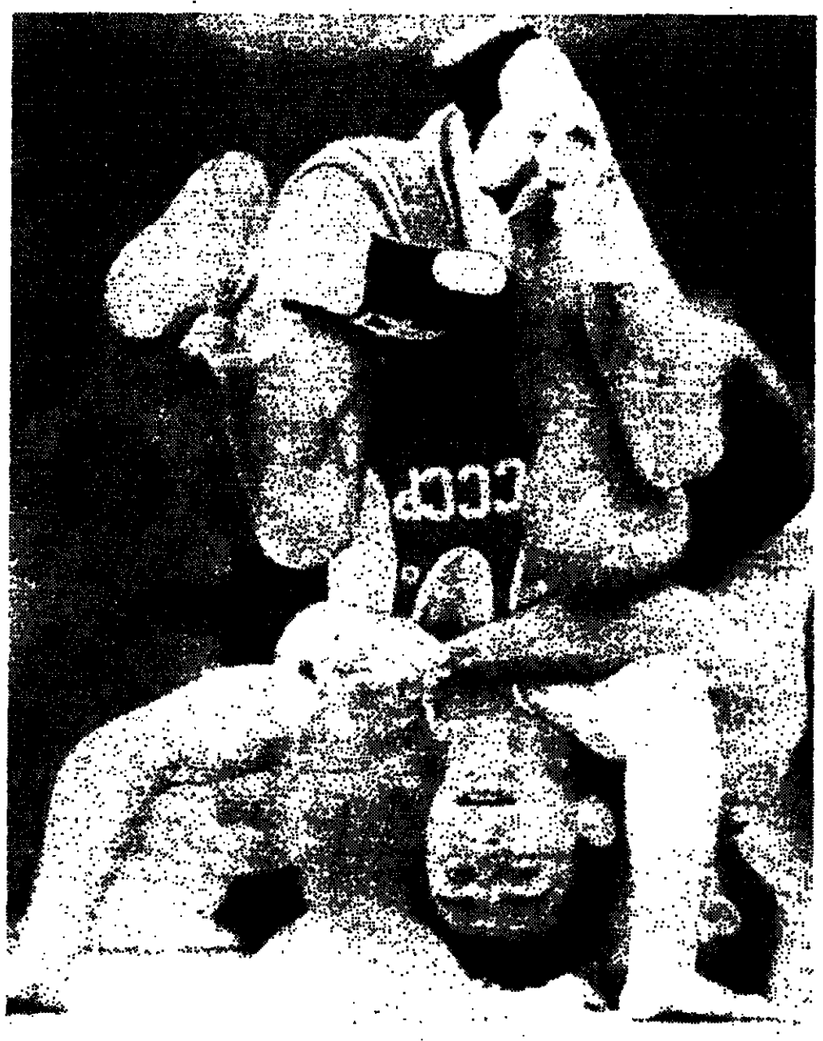
An incident on the starting straight between Frenchman Philippe Alliot and Italian Emanuele Pirro resulted in Alliot being disqualified. Alliot's Ligier ran into Pirro's Dallara and the two cars crashed into the barrier.

Pirro was dragged from the wreck by ambulance personnel and was treated at the first aid center at the track. He was later reported to have neck pain, but was otherwise uninjured. Witnesses said Pirro's helmet bore the print of a tire.

Alliot made a brief pit stop then rejoined the race but was later disqualified.

Drivers saw the yellow caution flag for the first three laps but the race was not stopped.

The next race on the circuit is the Hungarian Grand Prix on Aug. 12. *(AP, UPI)*



Rikke Sell/Reuters

Gael Madzhiumyan of the Soviet Union was headed for defeat as he wrestled Cory Baze of the United States in the Goodwill Games. The Americans upended the Soviet Union in the team competition, too, the first time they had scored an upset of top Soviet wrestlers in 30 years. . .

Red Sox Ring Up 12 Doubles In 13-3 Victory Over Tigers

The Associated Press

Wade Boggs hit three of Boston's American League record 12 doubles and drove in four runs as the Red Sox beat the Tigers, 13-3, Sunday in Detroit.

Boston's doubles broke the previous league record of 11, set by the Tigers against the New York Yankees on July 14, 1934. The major league record of 13 was set by the St. Louis Cardinals against the Chicago Cubs on July 12, 1931.

Jody Reed doubled twice to raise his major league-leading total to 37. Ellis Burks and Tim Naehring also doubled twice and Randy Kutcher, Mike Greenwell and Carlos Quintana each doubled once.

Greg Harris (8-4) allowed four hits in eight innings as he won for the first time in his last six starts.

Alan Trammell's two-run single gave Detroit the lead in the first but Boston scored in the second on Mark Salas's passed ball. The Red Sox went ahead in the third on Boggs's RBI double and Burks's run-scoring groundout.

Boston made it 7-2 in the fourth on Naehring's run-scoring single and RBI doubles by Reed, Boggs and Greenwell.

Cubs 2, Expos 1: Rookie Mike Harkey rebounded from his worst start of the season with one of his best, allowing only four hits in 7⅓ innings as Chicago won in Montreal. It was the Cubs' 11th victory in 14 games.

Harkey (9-5) struck out five and walked none. Four days earlier, he got only one out against St. Louis and gave up eight runs.

Mitch Williams relieved Harkey and did not allow a hit in getting his 12th save.

The Cubs took a 1-0 lead in the first against Kevin Gross (8-8) when Dwight Smith walked, stole second and continued to third on catcher Jerry Goff's throwing error and scored on Mark Grace's single.

Pirates 2, Phillies 1: Doug Drabek pitched a two-hitter for his fifth consecutive victory, leading the Pirates over Philadelphia and preventing a four-game sweep by the Phillies in Pittsburgh.

The Phillies were trying for their first four-game road sweep since August 1985 and their first in Pittsburgh since July 1968, when the Pirates played in Forbes Field.

Barry Bonds had an RBI single and Jose Lind hit a sacrifice fly in Pittsburgh's two-run fourth as the Pirates, despite getting only three hits, avoided their fifth straight loss. The Pirates had lost six of seven and 9 of 13 to fall out of the National League East lead.

Darren Daulton hit a solo homer, his sixth, in the first, but Drabek (13-4) allowed only one more hit, Len Dykstra's double in the fifth, in throwing his third complete game, all at home. He has three career two-hitters.

Yankees 8, Indians 5: Roberto Kelly homered and drove in four runs and Tim Leary won for the second time in three starts as New York won the first game of the doubleheader in Cleveland.

Leary had lost eight consecutive decisions prior to his current hot streak.

With the Indians trailing by 8-4, they scored in the ninth against Dave Righetti on a double and Bob Geren's passed ball. Cleveland loaded the bases with two outs before Greg Cadaret relieved and retired Candy Maldonado on a long fly for the first save by any Yankee this season other than Righetti.

Bud Black, forced to pitch with three days rest because the Yankees and Indians are playing five games in three days, gave up four runs and five hits in 3⅓ innings. Cleveland has lost nine of its last 12 games.

In games played Saturday:

Orioles 9-3, Royals 10-1: Baltimore shortstop Cal Ripken, whose record streak of 95 games and 431 chances without an error ended in the first game, atoned with a single that scored the tie-breaking run in the eighth inning of the second game in Kansas City.

Ripken's error came in the fifth inning of the first game. With the Orioles ahead by 9-4, he mishandled a grounder by Jeff Schulz, allowing Jim Eisenreich to score from third base. That touched off a series of mishaps that sent Kansas City on to victory.

Tigers 17, Red Sox 9: The game in Tiger Stadium was decided when Detroit put together a 10-run sixth inning. It was the Tigers' biggest outburst since they scored 11 runs in the first inning against Baltimore on Sept. 20, 1983.

Rangers 3, Blue Jays 2: Texas blew a 2-0 lead in the ninth inning but won when Harold Baines homered off relief pitcher Frank Wills with two out in the 13th in Toronto.

White Sox 5, Brewers 4: Ozzie Guillen brought Chicago from behind with a two-run single in the ninth in Comiskey Park.

Ron Karkovice opened the bottom of the ninth with a double off relief pitcher Dan Plesac. Scott Fletcher beat out a bunt single, sending pinch-runner Rodney McCray to third, and pinch-hitter Carlton Fisk walked to load the bases. Guillen followed with a single to center.

Athletics 4-4, Twins 1-9: After being held to six hits by the Athletics' Dave Stewart in the opener in Minneapolis, the Twins knocked out Bob Welch (16-4), the winningest pitcher in the majors, in the third inning of the second game.

Indians 2, Yankees 1: Rookie relief pitcher Alan Mills walked Brook Jacoby to force in the winning, unearned run with two out in the seventh inning in Cleveland.

Mariners 2, Angels 1: The Mariners ended Kirk McCaskill's attempt at a no-hitter with a run-scoring double by Ken Griffey Jr. and an RBI single by Jeffrey Leonard in the sixth inning in Seattle. McCaskill yielded three hits in seven-plus innings.

Cardinals 1, Mets 0: Willie McGee homered to lead off the seventh inning as St. Louis won in Shea Stadium despite getting only three hits in the National League game.

The home run, McGee's second this season, gave him a 19-game hitting streak, matching his career best.

Phillies 4, Pirates 3: Charlie Hayes and Von Hayes homered and visiting Philadelphia scored the winning run when Pittsburgh couldn't turn a potential double-play grounder in the ninth inning.

Pirates relief pitcher Bill Landrum retired Carmelo Martinez to start the ninth, but Charlie Hayes and Ricky Jordan singled, with Hayes taking third. Pinch-hitter Darren Daulton then bounced a grounder to third baseman Jeff King, who had an easy play at the plate but elected to try for the double play. King got Jordan at second, but Daulton beat the throw to first by a half-step as Hayes scored.

Giants 3, Reds 2: Kevin Mitchell singled in the winning run with two outs in the 11th in San Francisco. It was the sixth straight loss for the Reds.

Cubs 10, Expos 7: Shawon Dunston tied a modern major-league record with three triples, one in Chicago's tie-breaking three-run ninth inning, as the Cubs won in Montreal.

Dunston, who drove in five runs, also tripled in the fifth and sixth innings.

Astros 5, Padres 3: Ken Caminiti went four for five and broke a seventh-inning tie with a run-scoring single as Houston won in San Diego. That ended a five-game winning streak by the Padres.

Dodgers 8, Braves 7: Juan Samuel completed a four-run rally in the ninth inning with a run-scoring single as Los Angeles rebounded twice from three-run deficits to win in Dodger Stadium.

BASEBALL ROUNDUP



Tony Dejak/The Associated Press

More Yankee problems: Second baseman Steve Sax and outfielder Jesse Barfield fought a pop fly, the team lost to the Indians.

No Rematch, No Regrets: Americans Meet Yugoslavia in Basketball Final

By George Vecsey
New York Times Service

SEATTLE — The United States will not have a chance for revenge against the Soviet Union in the Goodwill Games basketball tournament, but Mike Krzyzewski is not complaining.

"No, we'd be playing for the bronze medal," said the Duke University coach who is directing the U.S. team.

Instead of a rematch with the the team that beat them last Tuesday, the young American players were to go for the gold medal Sunday night against Yugoslavia.

The United States advanced Friday night with a 112-95 victory over Brazil, which got 38 points from its star, Oscar Schmidt. Yugoslavia beat the Soviet Union, 84-78.

The Americans have come a long way since nearly losing to Puerto Rico in the opening game, then falling to the Soviet Union, 92-85.

This is the third straight international tournament in which the top American college players have been stunned. Brazil, led by Schmidt then, too, shocked the U.S. team at the 1987 Pan American Games and the Americans were beaten by the Soviets in the semifinals of the 1988 Olympics.

After Tuesday's loss here, Krzyzewski rallied his players by reminding them it was only a first-round game. Thereafter, the team of sophomores and juniors asserted its natural talent and aggressiveness, grabbing the ball for the free inbounds pass under international rules, and learning not to take the extra jostling so personally.

"Even though Yugoslavia has two good players, the U.S. should beat them because the U.S. is a very good technical team," said Vladas Garastas, the Lithuanian who is bound by contract to coach the Soviet Union team.

Yugoslavia's best player is Dino Radja, who was held back by military obligations from joining the Boston Celtics of the National Basketball Association last season. After scoring 31 points against the Soviets, Radja said he planned to play for the Celtics next season.

Zarko Paspalj, who played for the San Antonio Spurs last season, scored 22 points Friday. Tony Kukoc, a forward recently drafted by the Chicago Bulls, scored only two points because of a sore arm.

The Yugoslavs expect to have their two other NBA players, Drazen Petrovic of Portland and Vlade Divac of the Los Angeles Lakers, for the world championships next month in Argentina.

By then, the American players will have had a month together. The Americans improved after Krzyzewski turned Todd Day of the University of Arkansas into his designated disrupting agent.

On Wednesday, Day hounded Antonella Riva of Italy, not always graciously. On Friday he was assigned to guard Schmidt, who has been lofting jump shots in international competition for 14 years.

"I came off the court after the game and I heard people yelling, 'Nice defense!' " Day said. "I looked up and I saw he had 38 points."

Schmidt made 13 of 29 shots, frequently with Day or Christian Laettner of Duke in his face.

"It wasn't just on Oscar," said Helio Garcia, the Brazilian coach. "The American team was very aggressive, thus forcing all the players out of their habitual positions. Oscar wasn't able to get the ball in the positions he is accustomed to."

The U.S. offense was led by Kenny Anderson of Georgia Tech with 25 points, and Billy Owens of Syracuse with 22. Day had 16 off versatile shooting and transition layups.

"I'm very impressed with this team," Dusan Ivkovic, the Yugoslav coach, said of the Americans. "They need, of course, more experience, but through the games in preparation for the championships in Argentina they are playing better and better."



Mike Blake/Reuters

. . .Also upset was Marc Levenberger of Switzerland, knocked off his feet by Cal Valimont in the U.S. first-round hockey victory.

SIDELINES

Bugno Wins in England, Leads World Cup Cyclists

BRIGHTON, England (AP) — Tour of Italy winner Gianni Bugno took the overall lead in the World Cup cycling series Sunday with a victory in the 148-mile (238-kilometer) Wincanton Classic.

The Italian took command in the final four miles of the sixth of this season's World Cup races and defeated defending cup champion Sean Kelly of Ireland by 13 seconds.

Bugno, who rides for the Chateau d'Ax team, completed the course in southern England in 6 hours, 9 minutes, 51 seconds. The victory gave him a six-point lead in the standings over Rudy Dhaenens of Belgium. Moreno Argentin of Italy, who had the lead, was out with a Tour de France injury. Tour de France winner Greg LeMond dropped out at the last minute because of saddle sores.

West Germany's Uphoff Becomes Youngest World Dressage Champ

STOCKHOLM (AP) — West Germany's Nicole Uphoff, 23, on Sunday became the youngest dressage world champion, awarded a record-high 1,569 points from the judges.

Saturday, in Lahti, Finland, Gianluca Tiberti of Italy turned in a faultless ride to win the World Modern Pentathlon Championship title.

England Tops Argentina in Rugby

BUENOS AIRES (AP) — England beat Argentina Saturday, 25-12, in the first of two rugby test matches by scoring two tries to none, with goal-kicker Simon Hodgkinson adding 17 points. *(See Scoreboard.)* The second test is next Saturday.

For the Record

Leopard Tamakuma of Japan won the WBA flyweight title on Sunday, defeating Yul Woo Lee of South Korea on a technical knockout 2 minutes, 21 seconds into the 10th round of a scheduled 12-round bout in Mito, 100 kilometers (60 miles) northeast of Tokyo. *(AP)*

Dennis Andries, a Detroit-based Englishman, became the second man to win the light-heavyweight title three times by knocking out previously unbeaten Jeff Harding of Australia at 2:15 of the seventh round Saturday in Melbourne. He regained the WBC title Harding took 13 months ago. *(AP)*

Massimiliano Duran of Italy won the WBC cruiserweight crown from Carlos De Leon of Puerto Rico Friday night after the champion was disqualified for hitting after the bell at the end of the 11th round in Capo d'Orlando, Italy. *(AP)*

U.S. Wrestlers Score Upset, but Soviets Rule Gymnastics

The Associated Press

SEATTLE — U.S. wrestlers have pulled off a major upset at the Goodwill Games by defeating the team from the Soviet Union.

The victory on Saturday was the first in 30 years in a team competition that included the best Soviet wrestlers.

In other events, Soviet gymnast Natalia Kalinina won the all-around gold over her world champion teammate, Svetlana Boginskaya; the United States lost to Japan, 7-6, in a 14-inning baseball game; the Americans made their ice hockey debut with a 7-1 victory over Switzerland, and Rudolph Bradley of the United States recovered from being knocked down on the first punch to earn a 4-1 decision over Raul Gonzalez of the powerful Cuban boxing team. The Soviet Union won the first gold medal of the Goodwill cycling competition.

The 17-13 wrestling victory by the Americans was not ensured until two protests by the Soviet coach, Yargin Yarygin, were rejected.

Four U.S. wrestlers won individual gold medals: Cory Baze at 105.5 pounds (47.8 kilograms), John Smith at 136.5, Nate Carr at 149.5 and Bill Scherr at 220.

Scherr's gold medal won't count under international federation rules, however, because he was one of two wrestlers competing for the United States in the team competition at that weight.

The last time the United States had beaten the Soviets in a team competition was in unofficial scoring at the 1960 Olympic Games. Although the United States had beaten the Soviets three times in World Cup competition, the top Soviet wrestlers did not take part in those matches.

Yarygin's protests involved scoring decisions in Baze's victory and in the match between Zeke Jones and Sergey Zambalov at 114.5 pounds. Jones won, 4-3, with a move that exposed both wrestlers' shoulders to the matt with 13 seconds to go.

Jones was awarded two points, but Yarygin contended that both wrestlers should have been granted two. If the protest had been upheld, the Soviets would have won the team gold.

Baze defeated Gnel Madzhiumyan, 13-7, to win that gold.

In gymnastics, Kalinina, 16, defeated Boginskaya and U.S. challengers Kim Zmeskal and Betty Okino with a dazzling display of routines that included a perfect score of 10 on the vault for a total score of 39.836. It was a rare defeat for Boginskaya, who won four medals at the 1988 Olympics in Seoul and had beaten Kalinina at the Soviet national meet and the European championships this year.

"I had one main feeling," Kalinina said, "great, great happiness. I don't know how to say it any other way."

Boginskaya took the silver with a score of 39.799. Henrietta Onodi of Hungary won the bronze with 39.348.

Zmeskal, in her first major international competition, finished sixth with 39.074 points. Zmeskal is a 14-year-old national champion who trains with Bela Karolyi, the former Romanian coach.

She fell while trying to execute a reverse somersault on the uneven bars, never recovered and never approached the effort she displayed on Friday, when she was the top individual scorer and did not score lower than 9.90 on any of the four events.

Her score on Friday, 39.661, would have been worth a bronze in the all-around.

In the baseball game, Kojiro Machida homered off Phillip Stidham for the winning run. The U.S. collegians, who committed six errors, had tied the score in the ninth inning on a double with two out by Chris Gomez.

In hockey, Joe Sacco scored two goals as the U.S. team won at Kennewick, Washington.

Raymond Walder's goal with the game 10 minutes old gave Switzerland its only score. Jim Johannson, a veteran of the 1988 U.S. Olympic team, tied the score at 15:37 and Sacco scored on a power play for a 2-1 lead late in the first period.

In the boxing ring, Bradley felt lucky with his victory in the 112-pound (50.8-kilogram) division. "I'm glad I'm at home because anywhere else they might have stopped it," he said.

The fight was barely five seconds old when Gonzales knocked down Bradley with a right hand. Bradley took a standing eight-count 40 seconds later, held on for the rest of the round, then came back with two strong rounds to win.

The United States won four of its six fights Saturday.

In cycling, the Soviets dominated the 400-meter team pursuit competition as the team of Evgeni Anashkin, Valeri Baturo, Alexander Gonchenkov and Oleg Klevstov won in 4:19.68. East Germany took the silver and the bronze went to Australia after the U.S. team fell victim to miscommunication in the next-to-last lap.

Comaneci's Revised Story: A Captive, Not a Lover

The Associated Press

SEATTLE — Nadia Comaneci, the former Romanian gymnastics star, has said she was held captive for three months by the man who helped her defect last year and was portrayed as her lover.

In her first extensive interview concerning her relationship with Constantin Panait, Comaneci said Saturday he had "stolen" $150,000 she earned in appearances in the United States after her defection.

Comaneci, in Seattle for the Goodwill Games, was asked if Panait had threatened or physically abused her. "He was not so good with me," she replied.

Comaneci said Panait fled three days after they arrived in Montreal in February with $150,000 she had earned on her tour of the United States. They had gone to Montreal to visit Alexandru Stefu, a friend of Comaneci's former coach in Romania, Bela Karolyi.

Stefu is now serving as Comaneci's manager.

Comaneci, who won eight medals in Montreal in 1976 and became the first gymnast to earn a perfect score in the Olympics, drew considerable negative press in the United States while in the company of Panait, a married man and father of four. Comaneci, however, denied there was any romantic involvement on her part and said she joined Panait only after he offered to help her escape from Romania and was paid $5,000 to do so.

When Comaneci and Panait arrived in New York on Nov. 28, they became an immediate media attraction. Comaneci said from the time she joined Panait, he dictated her every move.

"He didn't let anyone near me," Comaneci said. "He told me all the time what I must say."

Comaneci said she met Panait at a family party a week before she defected and had not known him for a year, as she initially indicated.

"I said I knew him for one year because he said it would be better for me to get the visa if I declared that," Comaneci said. "He told me also to declare that I don't want to come back in gymnastics or to see my former coach, Bela Karolyi."

Comaneci said she had no one else to turn to in the West and had no way of contacting Karolyi.

"I didn't know nobody," she said. "I was a like a stranger and didn't know my rights. He told me all the time that if I don't say what he said, he would send me back to Romania."

Comaneci reportedly had a long relationship with Nicu Ceausescu, the son of the former dictator of Romania, Nicolae Ceausescu, but said she would not comment on that because it is the subject of a movie scheduled for release in 1991.

While with Panait, she said she tried to meet with his wife to explain that she was not trying to steal her husband.

"I told Panait, 'We must go and explain to your wife.' " Comaneci said. "So he called her and told her when we would arrive, but she called the police and the press. And I couldn't go in because the police stopped us."

Comaneci said Panait has returned to his family and now lives in Florida. He could not be reached for comment.

"I can't say that I hate him and I can't say that I like him," she said. "He helped me escape from Romania. The money does not mean anything because I have the freedom."



AP

Panait and Comaneci following her defection.

The Dark Side of 1492: Spain's Eviction of Jews

By Barry James
International Herald Tribune

WHEN Nicholas de Nicolay, the French king's geographer, visited Constantinople in 1567, he was amazed at the size and wealth of the Jewish community there.

"It is a thing marvelous and incredible," he said, noting that the Jews of the Ottoman empire excelled as traders, artisans, printers and, above all, doctors skilled in many languages and distinguished by their high scarlet caps. Even Süleyman the Magnificent entrusted his health and that of his seraglio to a team of 10 Jewish physicians.

Most of the Jews in Constantinople and elsewhere in the empire belonged to families that had been expelled in 1492 by Ferdinand and Isabella of Spain, and Nicolay's report was a measure of how much the dour Spanish empire lost in driving them away.

While most of Spain will be celebrating the 500th anniversary of the discovery of America in 1992, many Spanish-speaking Jews around the world will be remembering the banishment of their ancestors from the place they called Sepharad.

A series of commemorative events in Spain and elsewhere, called Sepharad '92, will be a counterpoint in minor key to the World Fair in Seville celebrating Columbus's first voyage to the New World.

"People assume we are holding a celebration," said Jerry Goodman, executive director of the International Jewish Committee for Sepharad '92 in New York. "We are not. We are marking a unique historical event both for Spain and for the Jewish world. It changed the Jewish map forever. It certainly had an impact on the future of Spain. And the expelled Jews left their mark on the Ottoman empire, and other countries in which they settled, such as France, Italy and Holland."

According to Mauricio Hatchwell Toledano, a descendent of the last grand rabbi of Toledo and Castile, and president of Sepharad '92, the expulsion was "the sudden interruption of an age that still today makes us dream."

King Juan Carlos of Spain recently received a delegation headed by Elie Wiesel, the honorary chairman of Sepharad '92, and promised to rescind the expulsion order on March 31, 1992, the anniversary date of the royal edict. The king also promised to visit the synagogue in Madrid in an act of reconciliation.

As part of the commemoration, the organizers of Sepharad '92 are

As most celebrate Columbus's voyage, others will mark the banishment.

hoping to reestablish in Toledo the old School of Translators, where Jewish, Christian and Moslem scholars worked together in the Middle Ages to translate classical Greek or Arabic philosophical and scientific texts into Latin, and thus helped lay the foundations for humanist thought in the Renaissance.

Earlier this month, the Sepharad '92 committee signed an agreement with the city of Seville to restore the old Jewish quarter there. It is planning to erect a monument to tolerance by the Basque sculptor Eduardo Chillida. It is also bringing out a facsimile edition of the Alba Bible of 1422, the first text translated from Hebrew into Spanish. And there will be a host of conferences and symposia on various aspects of the expulsion, the first of which — on relations between the government and the Jewish community in Spain — is taking place at the University of Santander summer school.

The Smithsonian Institution is organizing an exhibition on Sephardic history and culture to open in Washington in the spring of 1992. The exhibition will then travel to Western Europe and to Turkey in recognition, Goodman said, of the hospitality given by the Ottoman empire.

A commemoration coinciding with independence day will be held in Israel, where the former president, Yitzhak Navon, the chairman of Sepharad '92, has been one of the leading backers of the commemoration. The American Jewish Congress is developing tours in 12 different countries with a Sephardic history, several of which are planning their own program of activities.

The name Sepharad, originally applied in the Old Testament to a region around Sart in modern Turkey where Jewish exiles were deported after the capture of Jerusalem by King Nebuchadrezzar of Babylon, was later applied to Spain, where Jews arrived with the Romans.

The Jews of medieval Spain adopted the dress, the language and the customs of the Muslims with whom they lived side by side amid the splendors of the caliphate of Córdoba.

In Granada, Samuel Halevi ibn Naghdela — a scholar, poet, astronomer, mathematician and linguist — became in 1027 the only Jew to hold the office and name of vizier in a Muslim state. Granada flourished under his rule. But his son, Yusuf, who succeeded him, was crucified in a revolt in 1066 in which 4,000 Jews were massacred.

Twenty years later, the Almoravids — today they would be described as Muslim fundamentalists — arrived from the North African desert, aflame with orthodoxy, and gave the Jews the choice of apostasy or exile. Many moved into the Christian-dominated northern part of Spain. They settled in Castile, Majorca, Catalonia and Valencia. They dominated commerce in Barcelona and some could be found in high public offices up to 1492.

But an era of official tolerance ended in 1313, when the ecclesiastical council of Zamora decreed that all Jews had to wear a badge and live segregated from the Christian population. Waves of massacres swept across the peninsula during the 14th and 15th centuries.

The joining of Castile and Aragon and the war against Islam — Granada, the last Muslim stronghold in Spain, also fell in 1492 — created a strong unitary state that affirmed a religious, cultural and even racial orthodoxy from which the estimated 400,000 Jews were excluded.



Drawing of massacre of Jews in Barcelona in 1391.

The expulsion order gave them the choice of converting to Christianity or leaving within three months. Up to 150,000 left. The sincerity of those who apostasized and stayed behind was suspected, and many were interrogated, tortured and handed over for execution by the Inquisition. Almost a century after expelling the Jews, Spain — by now absorbing an empire of Indians in the New World — expelled most of its Moorish subjects as well.

Those who left took with them not only their Spanish customs, recipes, literature, music and poetry, but also the 16th-century Spanish still spoken by many Sephardim today and known as Ladino. A Castilian speaker can still hold a conversation with a Ladino speaker "if you lend your ear carefully," said Hatchwell.

The term Sephardim is used more loosely today to refer to Jews from North Africa and the Middle East and all who follow the distinct Sephardic ritual, whether or not their ancestors came from Spain.

If many Sephardim still remember with nostalgia, as Hatchwell says, "the special intensity of the Jewish life in Spain," there are signs that many Spaniards regret the blatant wrong their ancestors committed half a millenium before.

Spain adopted full religious freedom only in 1979, and is home to about 12,000 Jews now, 90 percent of them Sephardim. But earlier this year, the government signed an agreement with the Jewish communities to improve their religious, juridical and civic status. Radio Exterior de España, the foreign arm of the national radio, regularly broadcasts in Ladino. And last month, the Prince of Asturias Foundation awarded its annual prize to "the Sephardic communities dispersed throughout the world," urging them to consider it as a gesture that "opens for them permanently the doors of their ancient country."

LANGUAGE

(Post)modern Lit Crit Positionality

By Richard Bernstein

"REWRITING the (Post)modern: (Post)colonialism / Feminism / Late Capitalism" read the brochure advertising a conference that I attended at the University of Utah in March. The program was full of fashionable academic jargon — phrases like "reified theory," "(post)structuralist tropics" and "the racial subject" — all of it standard lexical fare in the arcane world of literary criticism.

The parentheses were placed not only around words but also around parts of words. There was one paper titled "Locating Un(re)presentable Desire: Narrational Transformations and Postmodern Man." Another was "It's Not (Post) Until It's Post(ed): (Post)modernism and the Terminological Endgames of Terrorism."

Trendy academic language has always kept me mindful of certain phrases from George Orwell's "Politics and the English Language," particularly the one in which he likens the users of prefabricated jargon to "cuttlefish squirting out ink." Yesterday, the cult terms were "intertextuality" and "the signifier." Today, it's parentheses carving up words like scimitars.

But a few months before the Utah meeting, my skepticism was challenged. At the convention of the Modern Language Association, the major professional body for academic literary critics, I ran into Philip Auslander, a professor of English at the Georgia Institute of Technology.

"Why shouldn't literary critics have a technical language to express their ideas, in the same way that physicists or engineers do?" he asked.

The lit crits argue that they are looking at the world in a new way, a way that requires the invention of a new language. And so I went to Utah scribbling words and phrases into my notebook and asking conferees to explain them. My first question concerned those parentheses. "They show that there are discontinuities in the discourse," said H. Aram Veeser, of the English department at Wichita State University in Kansas, using a bit of lit-crit jargon to explain another bit. "The parentheses are a way for the word to deconstruct itself on the page. It shows the word fragmenting into its different meanings and parts."

Teresa Ebert, a conference organizer who teaches English at the University of Rhode Island, called the parentheses "a denaturalizing term"; they are part of "resistance post-modernism" and "transgressive strategies" aimed at the status quo.

In other words, the parentheses are in and of themselves a challenge to conventional and dominant assumptions, a way of catching the reader's eye and making him think again about meanings he had always taken for granted.

This forms a good part of the academic enterprise these days and informs much of the jargon. A powerful tendency in the age of deconstruction is to question the way culture has traditionally been examined. And so, at the MLA, for example, there are a lot of expressions being used to describe power and the way it is wielded through the "texts" of our society.

Our basic values constitute what is commonly called the dominant discourse. A very dominant discourse is a totalizing discourse, or sometimes a meta-narrative. The damage reputedly done to those outside the power structure might be referred to as "the ravages of totalizing narratives." To be a rebel in this sense is to fight the meta-narrative.

This gives rise to some quirky definitions. Kerry McKeever of the University of Idaho provided a new one at the Utah conference. "Terrorism," she said, "is a way of wounding the body of a dominant discourse."

On the opposite end of the linguistic-political scale are a host of terms that describe those on the receiving end of "patriarchal authority." Most common at the MLA convention was the *marginalized subject* — "subject" having become the preferred lit crit term for person, self, individual. In Utah, the word *subaltern* took precedence.

Subaltern, made fashionable in some circles by a group of scholars from India who publish a journal called Subaltern Studies, refers to anybody who is low on the totem pole: the inhabitants of the Third World, women, homosexuals, members of minority groups. Anyone outside of patriarchal authority is by definition a *subaltern subject*. Why *subject*? We are not selves, is the answer.

We are *subjectivities*. An endless parade of impressions pummels our consciousness with inconsistency, indeterminacy, contradiction. Thus we, too, are not stable but always shifting. The word *subject*, a conferee said, puts the stress on process, rather than on fixity.

There are many other trendy terms. *Commodified* is very big; it refers to the tendency of capitalism to transform everything into a salable commodity. "A commodified subjectivity" is a way of looking at a world strongly influenced by late-20th-century materialism.

□

And then there is the frequent use of the suffix "-ality," which is tacked on to many words, usually adjectives but sometimes nouns. The various Utah sessions produced such "-alities" as *postcoloniality, positionality, ideality, intentionality, temporality, globality, marginality, circumstantiality, potentiality, institutionality, paradoxicality, conditionality* and *traditionality*.

The suffix makes what was a temporary qualifier into a permanent feature of the landscape," Veeser said. "I mean, if you just use the word 'postcolonial,' you have to specify a postcolonial this or a postcolonial that. But if you use *postcoloniality* you give substance to that formerly abstract, helping term. Now, it is empowered as a word. It gains independence, clout all by itself."

The use of the suffix in this instance has to do with the complexities of the modern world, a world in which people can no longer be easily identified with some simple, overriding concept like economic class. Each person is embedded in a whole complex of sometimes contradictory positions. The word *positionality* in this sense says: nothing is as simple as it looks.

And so, the big question: Was this lingo squirted out by Orwell's cuttlefish or is it really useful?

I contend that *positionality* is as inky as a word can get. And yet there is a seductive quality to some of this terminology: it has a cultish sensuousness to it. As the lit crits might put it, you become part of the transgressive, rather than the dominant, discourse. You are a member of the club.

Richard Bernstein is a national cultural correspondent of The New York Times. William Safire is on vacation.

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